

**SCHOOL DISTRICT  
OF THE  
TOWNSHIP OF PITTSBURGH**

**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT**

**of the**

**Township of Pittsburgh Board of Education  
Pittsburgh, New Jersey**

**For the Fiscal Year Ended June 30, 2015**

**Prepared by  
Pittsburgh Township Board of Education  
Finance Department**

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OF THE PITTSBURGH TOWNSHIP SCHOOL DISTRICT  
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## **INTRODUCTORY SECTION**

**PITTSGROVE TOWNSHIP SCHOOLS**

**Administration Building**

**1076 Almond Road**

**Pittsgrove, New Jersey 08318-3950**

**(856) 358-3094 Fax: (856) 358-6020**

**Henry Bermann**  
*Superintendent of Schools*  
(Ext. 4016)

**Suzanne R. Fox Abdill**  
*Business Admin./ Board Sec.*  
(Ext. 4018)

**Yvette DuBois**  
*Assistant Superintendent*  
(Ext. 4013)

November 30, 2015

Honorable President and Members  
of the Board of Education  
Pittsgrove Township Board of Education  
County of Salem  
Pittsgrove, N.J. 08318

Dear Board Members:

The comprehensive annual financial report of the Pittsgrove Township School District (District) for the fiscal year ended June 30, 2015, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education (Board). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the District. All disclosures that we feel are necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the basic financial statements and schedules, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1984 and the U.S. Office of Management and Budget Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations" and the New Jersey State Treasury Circular Letter 04-04 and/or 15-08 OMB, "Single Audit Policy for Recipients of Federal Awards, State Grants and State Aid Payments." Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

*We are an Equal Opportunity Employer - F/M*

**1. REPORTING ENTITY AND ITS SERVICES:**

The Pittsgrove Township School District is an independent reporting entity within the criteria adopted by the GASB as established by NCGA Statement No. 3. All funds of the District are included in this report. The Pittsgrove Township Board of Education and all its schools constitute the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels PK through 12. These include regular, vocational, alternative and remedial, as well as special education for handicapped students. Vocational opportunities are provided through the Salem County Vocational and Technical School. The Pittsgrove Township School District also receives students on a tuition basis for grades PreK-12 from the Borough of Elmer. In Schalick High School, the district houses three county-wide academies in the Visual and Performing Arts. These are magnet programs in Dance, Theater and Visual Arts. The District completed the 2014-15 fiscal year with an enrollment of 1,802 students, including Academy students, which is 1 student more than the previous year's enrollment. The following details the changes in the student enrollment of the District over the last ten years.

**Average Daily Enrollment**

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2014-15	1,801.0	3.32%
2013-14	1,743.0	1.34%
2012-13	1,720.0	(1.29)%
2011-12	1,742.1	(5.12)%
2010-11	1,836.2	2.93%
2009-10	1,784.0	(.59)%
2008-09	1,794.7	3.99%
2007-08	1,869.3	(3.31)%
2006-07	1,933.3	.16%
2005-06	1,930.2	(2.71)%

**2. ECONOMIC CONDITION AND OUTLOOK:**

The Pittsgrove Township area is experiencing a period of limited development, which is expected to continue. There will be a continually slight increase in the number of residences. This should result in a modest increase in the tax base. Pittsgrove Township is also experiencing a decrease in enrollment in its resident students. This decline is expected to continue for the immediate future. The 2010-2011 school year marked a full send/receive agreement with Elmer Borough Board of Education. All students from both Pittsgrove and Elmer attend school together from preschool through twelfth grade.

## MAJOR INITIATIVES/CURRICULA INITIATIVES:

### Technology:

The Board of Education continues to support the integration of technology into the curriculum. In recent years, the District has migrated from local infrastructure to cloud-based infrastructure, as well as from more expensive Apple laptops to less expensive Chromebooks. With the maturation of web-based or cloud-based services, we have seen a trend and shift in expenditures from device-centric to network-centric items and solutions. As a result, network infrastructure, security systems, and bandwidth are trending up in regard to the percentage of the budget, whereby device costs are trending down.

The addition of Chromebooks helps to support the District goal of increasing 21<sup>st</sup> Century technology skills and collaboration. With these devices, our students are readily able to utilize their own pittsgrove.net G-mail accounts and interface with Google Docs. Interactive white boards are utilized as a teaching tool in every classroom across the District, leading to further technology-based, interactive learning. Every teacher has a laptop computer.

The Supervisor of Technology provides support and suggests best practices in student and teacher uses of educational technology. Members of the Technology Department train teachers and other District staff members in new technologies; team-teach in K-12 classrooms, and help guide the educational technology vision of the Pittsgrove Township School District. Under the direction of the Supervisor of Technology, the major network infrastructure of the District has been upgraded to the advanced Cisco Meraki System. Telephone and security upgrades and enhancements were also performed.

### Pittsgrove Township School District, K-12:

Across the District, staff members will receive extensive professional development in the areas of: Common Core State Standards, assessments, and teacher evaluation. Particular focus will be made on training staff and administration on the new teacher evaluation model, OnCourse Evaluate, the development of the NJDOE required Student Growth Objectives (SGOs), and data analysis. The use of half-day professional development days continues to be instrumental by providing staff with needed professional development opportunities. The District continues to provide professional development for OnCourse Lesson Planner and Google Docs. During the 2014-2015 school year, all teachers were trained to use OnCourse for Professional Development Plans (PDPs).

### Norma, Elmer, and Olivet Schools:

Norma Elementary School continues to operate a Pre-School Program, which offers two full-day programs for four-year-old students. The program operates from a braided funding formula, including state funds for economically disadvantaged students, parent tuition, and local funds. The Early Launch to Learning Initiative (ELLI) helps to instill kindergarten readiness while serving the incoming kindergarten class. In 2015, Houghton-Mifflin's *Splash* pre-school materials were purchased for Norma's ABC Kindergarten. This program is a precursor to *Journeys*, which is utilized in grades K-5.

Norma, Elmer, and Olivet School continue to receive professional development and support materials for curricula revision, benchmark creation, and new writing and math programs. In 2015, the Olivet Elementary School implemented the Lucy Calkins *Writer's Workshop* model into language arts instruction. Professional development occurred in the summer of 2015 and is ongoing during half-day professional development days. Elmer and Norma are utilizing a modified version of this model. Teachers in grades K-5 will be initiating a new math curriculum in September after successfully piloting the *My Math* program in the 2014-2015 school year. Teachers will attend training in August. They will be allotted time to work collaboratively on half-day professional development sessions during the 2015-2016 school year to fully integrate the *My Math* curriculum into their classrooms. This will enable the teachers to familiarize themselves with the resources available in order to meet the needs of all student learners.

Pittsgrove Township Middle School:

Significant attention has been given to the Pittsgrove Township Middle School (PTMS) in previous years. During the 2014-2015 school year, two new Exploratory courses that centered upon STEM were implemented. Staff continued to receive professional development based on the Common Core State Standards, writing, teacher evaluation, assessments, and PARCC. Quarterly (formerly benchmark) assessments have become even more prominent in this process, as teachers rely on data to drive instruction. Teachers are now focusing on data analysis to align their teaching with the Common Core State Standards to meet the needs of all students. Staff will continue to revise their assessments and align the questions with the revised curricula and the Common Core to prepare for PARCC testing. In addition, Common Core-aligned literature textbooks were purchased for 7<sup>th</sup> and 8<sup>th</sup> grade in 2014 and 2015.

Arthur P. Schalick High School:

Like the other schools in the District, extensive professional development will be provided to revise midterm and final assessments (benchmarks) in accordance with the changes to the curriculum based on the Common Core State Standards. This professional development will better enable teachers to use data from assessments to inform instruction. The Arts Academy, which is in partnership with the Salem County Vocational Technical School, also garners attention and interest from out-of-district students. Students competitively seek to attend the Arthur P. Schalick High School Academy Programs.

The utilization of half-day in-service sessions has provided significant opportunities for additional professional development and support for curricular initiatives, assessment creation, and data analysis. Significant curricular changes were made in the Math Department. New Statistics textbooks were purchased, while both the CP and Honors Geometry curricula were revised to align with the Common Core State Standards.

#### **4. INTERNAL ACCOUNTING CONTROLS:**

Management of the District is responsible for establishing and maintaining internal control designed to ensure that the assets of the District are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP). The internal control process is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

As a recipient of federal awards and state financial assistance, the District is also responsible for ensuring that adequate internal control is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control process is also subject to periodic evaluation by the District management.

As part of the District's single audit described earlier, tests are being made to determine the adequacy of the internal control structure, including that portion related to federal and state financial assistance programs, as well as to determine that the District has complied with applicable laws and regulations.

#### **5. BUDGETARY CONTROLS:**

In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the municipality. Annual appropriated budgets are adopted for the general fund, the special revenue fund, and the debt service fund.

Project-length budgets are approved for the capital improvements accounted for in the capital projects fund. The final budget amount as amended for the fiscal year is reflected in the financial section. An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either cancelled or are included as re-appropriations of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as reservations of fund balance at June 30, 2015.

#### **6. ACCOUNTING SYSTEM AND REPORTS:**

The District's accounting records reflect generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the District is organized on the basis of funds. These funds are explained in "Notes to the Financial Statements," Note 2.

**7. CASH MANAGEMENT:**

The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Financial Statements," Note 3. The District has adopted a cash management plan, which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

**8. RISK MANAGEMENT:**

The Board carries various forms of insurance, including but not limited to general liability, automobile liability, and comprehensive/collision, hazard and theft insurance on property and contents, and fidelity bonds.

**9. OTHER INFORMATION:**

Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Nightlinger, Colavita and Volpa, P. A., was selected by the Board. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act of 1984 and the related OMB Circular A-133 and state Treasury Circular Letter 04-04 OMB. The auditor's report on the basic financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

**10. ACKNOWLEDGMENTS:**

We would like to express our appreciation to the members of the Pittsgrove Township Board of Education for their concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development and maintenance of our financial operation. The preparation of this report could not have been accomplished without the efficient and dedicated services of our financial and accounting staff.

Respectfully submitted,



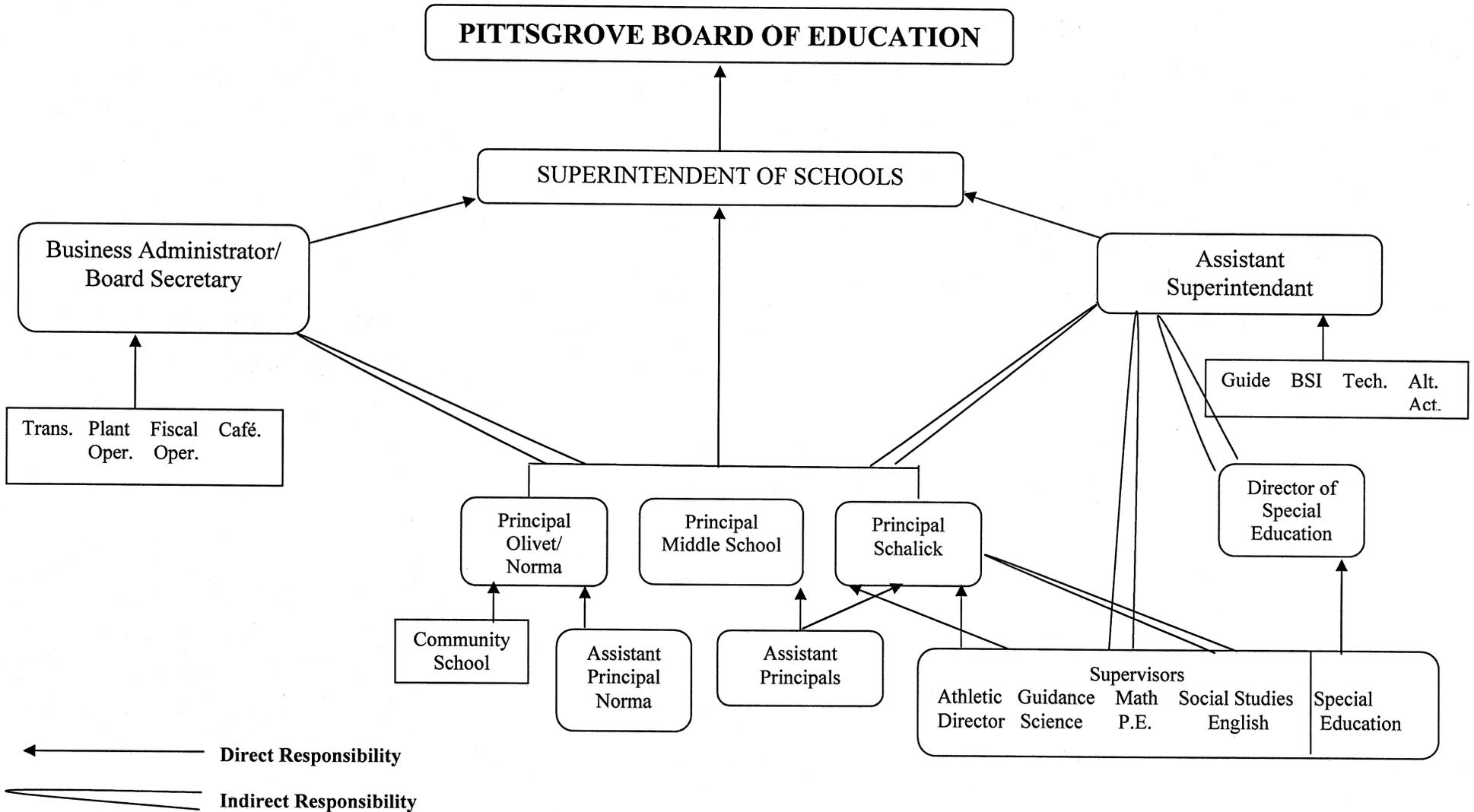
**Henry Bermann**  
Superintendent of Schools



**Suzanne R. Fox Abdill**  
School Business Administrator/  
Board Secretary

**ADMINISTRATOR/SUPERVISOR**

**RESPONSIBILITY AND ORGANIZATION**



**PITTSBORO TOWNSHIP BOARD OF EDUCATION**  
**PITTSBORO, NEW JERSEY**

**ROSTER OF OFFICIALS**  
**JUNE 30, 2015**

<u>Board Members Name</u>	<u>Position</u>	<u>Term Expires</u>
Dominick Miletta, III	President	2016
Marlene Smith	Vice President	2016
Steven DiMatteo	Board Member	2018
Melissa Conover	Board Member	2016
Carrie Mullin	Board Member	2018
Patricia Snyder	Board Member	2015
Joseph E. Wentzell	Board Member	2015
Samuel Wheaton	Board Member (Elmer Representative)	2016
Peter Lawlor	Board Member	2016
Tracy Penven	Board Member	2016
		<u>Amount</u>
<b><u>Other Officials</u></b>		<u>of Bond</u>
Henry Bermann	Superintendent	\$ 250,000
Suzanne R. Fox Abdill	Business Administrator/ Board Secretary	250,000
Lipman, Antonelli, Batt, Gilson Rothman & Capasso	General Counsel	
Parker, McCay, PA	Bond Counsel	
Porzio, Bromberg & Newman, PC	General Counsel	

**TOWNSHIP OF PITTSBORO BOARD OF EDUCATION**  
**CONSULTANTS AND ADVISORS**

**ARCHITECT**

**Garrison Architects**  
14000F Commerce Parkway  
Mount Laurel, NJ 08054

**AUDIT FIRM**

**Raymond Colavita, CPA, RMA, PSA**  
**Nightlinger, Colavita and Volpa, PA**  
P.O. Box 799  
Williamstown, NJ 08094

**ATTORNEY**

**General Counsel**  
**Jane B. Capasso, Esquire**  
**Lipman, Antonelli, Batt, Gilson, Malestein, Rothman & Capasso**  
110 North Sixth Street  
Vineland, NJ 08362-0729

**General Counsel**  
Mr. Frank Cavallo  
Parker McCay, P.A.  
PO Box 5054  
Mount Laurel, NJ 08054-5054

**General Counsel**  
Mr. Vito A Gagliardi, Jr.  
Porzio, Bromberg & Newman, P.C.  
100 Southgate Parkway  
Morristown, NJ 07962

**Bond Counsel**  
Mr. Phillip A. Norcross  
Parker McCay, P.A.  
Three Greentree Center  
7001 Lincoln Drive-West  
Marlton, NJ 08053-3292

**TOWNSHIP OF PITTSBORO BOARD OF EDUCATION**  
**CONSULTANTS AND ADVISORS**

**ATTORNEY (Cont'd)**

**Labor Relations & Negotiations**

Mr. Paul C. Kalac  
Kalac, Barger & Bacigalupo, LLC  
555 Route One, South - Suite 100  
Woodbridge, NJ 08830

**OFFICIAL DEPOSITORY**

**First National Bank of Elmer**

P.O. Box 980  
Elmer, NJ 08318

**Susquehanna Bank**

Upper Deerfield Office  
950 N. Pearl Street  
Bridgeton NJ, 08302

**FISCAL AGENT**

**Parker, McCay & Criscuolo, P.C.**

Three Greentree Centre, Suite 401  
Marlton, NJ 08053

**FINANCIAL SECTION**

# NIGHTLINGER, COLAVITA & VOLPA

*A Professional Association  
Certified Public Accountants*

991 S. Black Horse Pike  
P.O. Box 799  
Williamstown, NJ 08094

(856) 629-3111  
Fax (856) 728-2245  
[www.colavita.net](http://www.colavita.net)

November 30, 2015

## **INDEPENDENT AUDITOR'S REPORT**

The Honorable President and  
Members of the Board of Education  
Pittsgrove Township School District  
County of Salem  
Pittsgrove, NJ 08318

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Board of Education of the Township of Pittsgrove School District in the County of Salem, State of New Jersey, as of and for the fiscal year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Township of Pittsgrove School District's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall financial statement presentation. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

## Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Township of Pittsgrove Board of Education in the County of Salem, State of New Jersey, as of June 30, 2015, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

## Other Matters

### *Required Supplementary Information*

The Management Discussion and Analysis and Budgetary Comparison Information on pages 13 through 22 and 58 through 64 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township of Pittsgrove Board of Education's, basic financial statements as a whole. The introductory section, combining fund and individual non-major fund financial statements, long-term debt schedules and statistical section are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying schedules of expenditures of federal awards and state financial assistance are presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and New Jersey OMB's Circular 04-04 and/or 15-08, *Single Audit Policy For Recipients of Federal Grants, State Grants and State Aid*, and are not a required part of the basic financial statements.

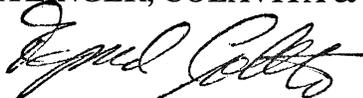
The accompanying combining statements and related major fund supporting statements and schedules and schedules of expenditures of federal awards and state financial assistance are the responsibility of management and were derived from and related directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedure applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying combining and related major fund supporting statements and schedules and schedules of expenditures of federal awards and state financial assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them or provide any assurance on them.

**Other Reporting Required by Government Auditing Standards**

In accordance with Government Auditing Standards, we have also issued a report dated November 30, 2015 on our consideration of the Township of Pittsgrove Board of Education's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Respectfully submitted,

**NIGHTLINGER, COLAVITA & VOLPA, P.A.**



Raymond Colavita, C.P.A., R.M.A.  
Licensed Public School Accountant  
No. 915

**REQUIRED SUPPLEMENTARY INFORMATION – PART I**

**PITTSGROVE TOWNSHIP SCHOOL DISTRICT  
PITTSGROVE TOWNSHIP  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

**UNAUDITED**

The discussion and analysis of Pittsgrove Township School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2015. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the notes to the basic financial statements and financial statements to enhance their understanding of the School District's financial performance.

**Financial Highlights**

Key financial highlights for 2015 are as follows:

- ❖ General revenues of the District accounted for \$27,207,302 in revenue or 78.8% percent of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions accounted for 7,336,613 or 21.2% percent to total revenues of \$34,543,915.
- ❖ Total Net Position of governmental activities increased by \$13,040 comprised of changes in cash and cash equivalents, receivables, inventory, and capital assets. The Net Position of the Business-type Activities increased by \$16,990.
- ❖ The School District had \$34,486,407 in total expenses, of which only \$7,336,613 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily federal awards, state aid and property taxes) of \$27,207,302 were not adequate to provide for these programs. These revenues and expenses include the Business-type Activities.
- ❖ The General Fund had \$28,637,268 in revenues, \$28,604,908 in expenditures and \$27,368 in net other financing uses. Other financing sources represented \$27,478 transferred to a Charter School and interest and miscellaneous income of \$110, transferred from the Capital Projects Fund. The General Fund balance increased by \$4,992 over 2014. This increase was anticipated by the Board of Education.

**Using this Comprehensive Annual Financial Report (CAFR)**

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand Pittsgrove Township School District as a financial whole as well as an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The Statement of Net Position and Statement of Activities provide information about the activities of the whole School district, presenting both an aggregate view of the School district's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. In the case of Pittsgrove Township School District, the General Fund is by far the most significant fund.

## **Reporting the School District as a Whole**

### **Statement of Net Position and the Statement of Activities**

While this document contains numerous funds used by the School District to provide programs and activities, the view of the School District as a whole looks at all financial transactions and asks the question, "How did we do financially during 2015?" The Statement of Net Position and the Statement of Activities helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account, all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the School District's Net Position and changes that position. This change in Net Position is important because it tells the reader that, for the school district as a whole, the financial positions of the School District has improved or diminished. The causes of this change may be the result of many factors, some financial, and some not. Non-financial factors include the School District's property tax base, current laws in New Jersey restricting revenue growth, facility condition, required educational programs and other factors.

In the Statement of Net Position and the Statement of Activities, the School District is divided into two distinct kinds of activities:

- ❖ **Governmental Activities** – All of the School District's programs and services are reported here including, but not limited to, instruction, support services, operation and maintenance of plant facilities, pupil transportation, extracurricular activities and internal service funds.
- ❖ **Business – Type Activities** – This service is provided on a charge for goods or services basis to recover all the expense of the goods or services provided. The Food Service and School Age Childcare enterprise funds are reported as business-type activity.

## **Reporting the School District's Most Significant Funds**

### **Fund Financial Statements**

The analysis of the School District's major (all) funds begins on page 25. Fund financial reports provide detailed information about the School District's major funds. The School District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the School District's most significant funds. The School District's major governmental funds are the General Fund, Special Revenue Fund, Capital Projects Fund and Debt Service Fund.

### **Governmental Funds**

The School District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in the future years. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the School District's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the financial statements.

## Enterprise Fund

The enterprise fund uses the same basis of accounting as business-type activities; therefore these statements are essentially the same.

## The School District as a Whole

Recall that the Statement of Net Position provides the perspective of the School District as a whole, which includes the Business-Type Activities.

Table 1 provides a comparative summary of the School District's Net Position for the years ended in 2015 and 2014.

	2015	2014
<b>Assets</b>		
Current and Other Assets	\$ 3,557,331	\$ 3,307,421
Capital Assets, Net	14,738,064	15,878,640
Total Assets	18,295,395	19,186,061
<b>Deferred Outflows of Resources</b>	741,648	330,166
<b>Liabilities</b>		
Other Liabilities	11,831,810	11,465,019
Non-Current Liabilities	9,028,395	10,193,113
Total Liabilities	20,860,205	21,658,132
<b>Deferred Inflows of Resources</b>	609,495	320,782
<b>Net Position</b>		
Invested in Capital Assets, Net of Debt	6,510,347	6,762,227
Restricted	401,615	524,090
Unrestricted	(9,344,619)	(9,749,004)
Total Net Position	\$ (2,432,657)	\$ (2,462,687)

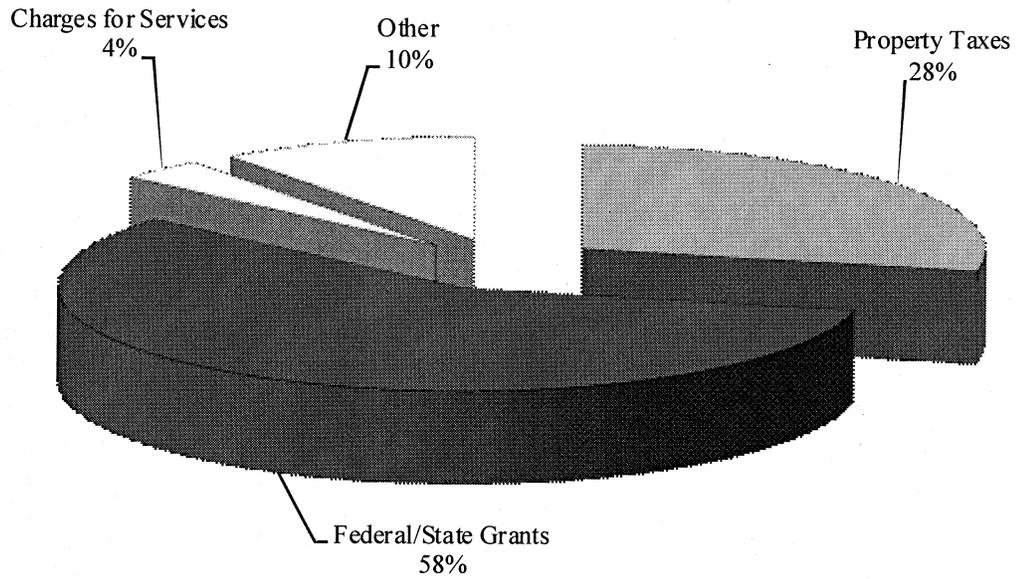
Table 2 shows the changes in Net Position from fiscal year's 2015 and 2014.

Table 2  
Changes in Net Position

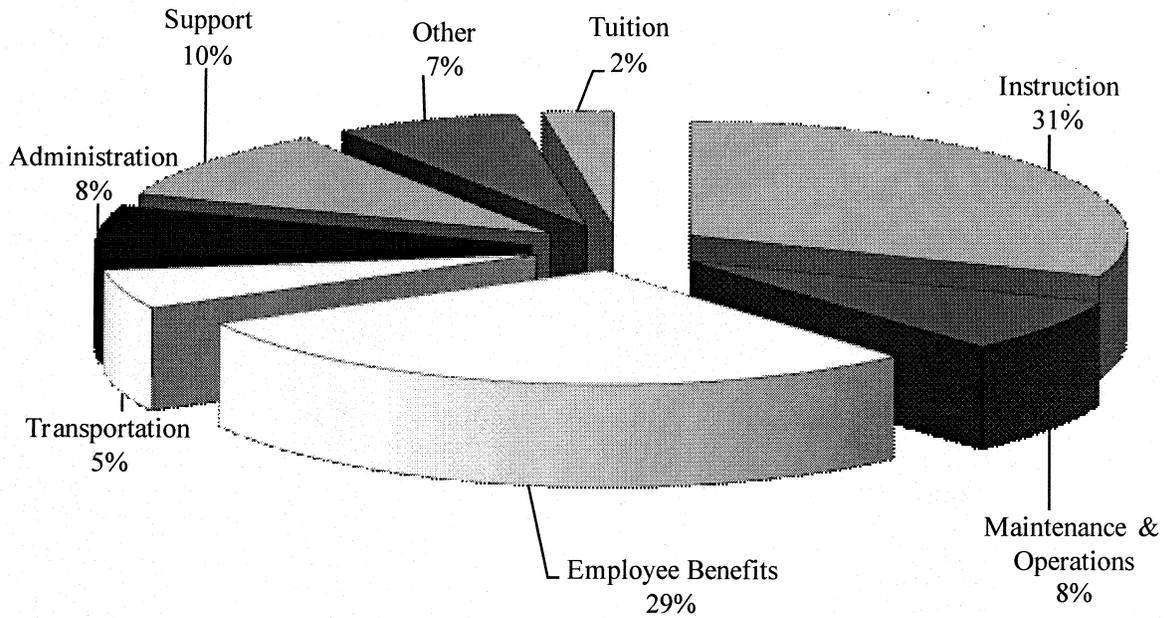
	2015	2014
<b>Revenues</b>		
Programs Revenues		
Charges for Services	\$ 1,181,491	\$ 1,541,472
Operating Grants and Contributions	6,155,122	3,349,312
General Revenues		
Property Taxes	9,800,064	9,545,169
Grants and Entitlements	13,842,223	13,772,056
Other	3,565,015	3,297,314
<b>Total Revenues</b>	<b>34,543,915</b>	<b>31,505,323</b>
<b>Program Expenses</b>		
Instruction	10,601,695	11,792,777
Tuition	898,077	
Support Services		
Pupils and Instructional Staff	3,473,691	3,214,303
General Administration, School		
Administration, Business	2,714,157	2,935,712
Operations and Maintenance of		
Facilities	2,634,144	2,612,458
Pupil Transportation	1,906,356	1,841,265
Employee Benefits	9,882,865	7,155,865
Special Schools	30,078	
Interest on Debt	291,621	356,493
Food Service and Child Care	841,117	800,051
Other	1,212,606	1,402,704
<b>Total Expenses</b>	<b>34,486,407</b>	<b>32,111,628</b>
Excess of Expenditures over Revenues	57,508	(606,305)
Other Adjustments:		
Cancellation of Receivables and Payables		(65,507)
Transfer to Charter School	(27,478)	(9,017)
Inventory Adjustment		(54,085)
<b>(Decrease) Increase in Net Position</b>	<b>\$ 30,030</b>	<b>\$ (734,914)</b>

The breakdown by percentage of revenues and expenditures of the entire District as a whole for the fiscal year ended June 30, 2015 are illustrated in the two charts shown on the following page:

### Revenues for Fiscal Year 2015



### Expenses for Fiscal Year 2015



**Governmental Activities**

The unique nature of property taxes in New Jersey creates the need to routinely seek voter approval for the School District operations. The total governmental revenues of the Pittsgrove Township School District for fiscal year 2015, excluding business-type activities and other net financing uses, were \$27,206,841. The District's Property taxes made up 36% percent of these net revenues for governmental activities. Unrestricted Federal, state and local grants accounted for another 50.97%. The total cost of services was \$33,645,290. The net cost of all governmental programs and services, which excludes charges for services and operating grants, was \$27,167,323. Instruction comprises 31.57% of these net District expenses.

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows a comparison of the total cost of services and the net cost of services. The net cost shows the financial burden that was placed on the District's taxpayers by each of these functions.

**Table 3**

	<u>Total Cost of Services 2015</u>	<u>Net Cost of Services 2015</u>	<u>Total Cost of Services 2014</u>	<u>Net Cost of Services 2014</u>
Instruction	\$ 10,601,695	\$ 9,876,262	\$ 11,129,015	\$ 10,302,005
Tuition	898,077	898,077	663,762	663,762
Support Services				
Pupils and Instructional Staff	3,473,691	3,247,127	3,214,303	3,066,748
General Administration, School				
Administration, Business	2,714,157	2,637,628	2,935,712	2,325,284
Operation and Maintenance of Facilities	2,634,144	2,576,302	2,612,458	2,592,232
Pupil Transportation	1,906,356	1,545,518	1,841,265	1,572,887
Employee Benefits	9,882,865	4,851,204	7,155,865	5,037,004
Special Schools	30,078	30,078	96,324	96,324
Interest and Fiscal Charges	291,621	291,621	356,493	356,493
Other	1,212,606	1,212,606	1,306,380	1,306,380
Total Expenses	<u>\$ 33,645,290</u>	<u>\$ 27,166,423</u>	<u>\$ 31,311,577</u>	<u>\$ 27,319,119</u>

Instruction expenses include activities directly dealing with the teaching of pupils and the interaction between teacher and student, including extracurricular activities.

Pupils and instructional staff include the activities involved with assisting staff with the content and process of teaching to students, including curriculum and staff development.

General administration, school administration and business include expenses associated with administrative and financial supervision of the District as well as internal service fund expenses.

Operation and maintenance of facilities activities involve keeping the school grounds, buildings and equipment in an effective working condition as well as internal service fund expenses.

Curriculum and staff development expenses (included in support services) related to planning, research, development and evaluation of support services, as well as the reporting of this information internally and to the public.

Pupil transportation includes activities involved with the conveyance of students to and from school, as well as to and from school activities, as provided by state law as well as internal service fund expenses.

Extracurricular activities include instructional expenses related to student activities provided by the School District which are designated to provide opportunities for students to participate in school events, public events, or a combination of these for the purposes of motivation, enjoyment and skill improvement.

Interest and fiscal charges involve the transactions associated with the payment of interest and other related charges to debt of the School District.

Other includes unallocated depreciation and amortization of debt issue costs.

### **Business-Type Activities**

Revenues for the District's Business-Type Activities (Food Service and SACC programs) were comprised of charges for services and federal and state reimbursements.

- ❖ Program Revenues exceeded Expenses by \$16,529. There was no board subsidy required for the year. There was also miscellaneous interest revenue of \$461, resulting in a positive change in Net Position of \$16,990.
- ❖ Charges for services represent \$374,179 for the Food Service Fund and \$128,520 in the Child Care (SACC) Fund. This represents amount paid by patrons for daily food services and SACC activities.
- ❖ Federal and state reimbursements for meals, including payments for free and reduced lunches and donated commodities, were \$354,947.

### **The School District's Funds**

Information about the School District's major funds starts on page 25. These funds are accounted for using the modified accrual basis of accounting. All governmental funds (i.e., general fund, special revenue fund, capital projects and debt service fund presented in the fund-based statements) had total revenues of \$30,249,100, expenditures of \$30,219,012 and other financing uses of \$27,478, including the transfer to a Charter School and miscellaneous revenue transferred from the Capital Projects Fund. The net positive change in Governmental fund balances for the year was \$2,610, which includes \$4,992 in the General fund, offset by \$416 in the Capital Projects Fund and \$1,966 in the permanent fund. The District was, therefore, able to meet current operating costs with the use of \$200,000 in surplus and there was no urgent need for additional funds.

As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management. The following schedules present a summary of the revenues of the governmental funds (excluding capital projects and permanent scholarship funds) for the fiscal year ended June 30, 2015, and the amount and percentage of increases and decreases in relation to prior year revenues.

<u>Revenue</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase/ (Decrease) from 2014</u>	<u>Percent Increase/ (Decrease)</u>
Local Sources	\$ 13,184,618	43.59%	\$ 290,327	2.26%
State Sources	16,284,981	53.84%	382,467	2.44%
Federal Sources	779,501	2.58%	(74,679)	-9.30%
<b>Total</b>	<b>\$ 30,249,100</b>	<b>100.00%</b>	<b>\$ 598,115</b>	<b>2.04%</b>

The increase in Local sources is attributed to increases in local tax levy of \$254,895, other miscellaneous revenue of \$52,545 and \$527 in interest earned, and offset by a decrease of \$17,640 in tuition revenue.

The increase in State sources is attributed to increases in various state public aid of \$382,467.

The decrease in Federal sources is due to \$19,018 in the Medicaid Aid and \$55,661 in various other special revenue grants. In addition, the 2015 figures do not include deferred revenue in accordance with GAAP accounting.

The following schedule presents a summary of governmental fund expenditures for the fiscal year ended June 30, 2015 and the percentage of increases and decreases in relation to prior year amounts.

<u>Expenditures</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase/ (Decrease) from 2014</u>	<u>Percent Increase/ (Decrease)</u>
Current:				
Instruction	\$ 10,956,168	36.26%	\$ (84,654)	-0.80%
Undistributed Expenditures	18,076,377	59.82%	508,591	2.98%
Capital Outlay	375,761	1.24%	62,847	6.93%
Debt Service:				
Principal	530,000	1.75%	(48,648)	-7.96%
Interest	250,628	0.83%	(15,612)	-4.88%
Special Schools	30,078	0.10%	(66,246)	-72.33%
<b>Total</b>	<b>\$ 30,219,012</b>	<b>100.00%</b>	<b>\$ 356,278</b>	<b>1.20%</b>

The increase in instructional expenditures is attributed to increases in Special instruction of \$174,692 and other education instruction of \$35,750, offset by decreases in regular instructional expenses of \$237,080 and other special instruction expenses of \$58,016.

The increase in undistributed expenditures was due to increases in tuition costs of \$234,315, student and instruction related services of \$184,693, general administration cost of \$5,764, and employee benefit cost of \$194,877, offset by decreases in school administration costs of \$45,329, central services and information technology costs of \$25,463, plant operations and maintenance of \$12,897 and pupil transportation of \$27,369.

The decrease in capital outlay is attributed to overall increases in general fund capital outlay of 62,847.

The decrease in debt service is the result of reduced principal and interest payments on debt obligations.

The decrease in special schools is attributed to an overall decrease in expenditures of \$66,246.

## General Fund Budgeting Highlights

The School District's Budget is prepared according to New Jersey law, and is based on accounting for certain transactions on a basis of modified accrual and encumbrance accounting. The most significant budgeted fund is the General Fund.

During the course of the fiscal year 2015, the School District amended its General Fund budget as needed. The School District uses program based budgeting. These budgeting systems are designed to tightly control total program budgets while providing flexibility for program management to address the following:

- ❖ Staffing changes based on student needs.
- ❖ Additional costs for student transportation both in regular education and special education.
- ❖ Changes in maintenance and operations
- ❖ Changes in appropriations to prevent budget overruns.

While the District's final budget for the general fund anticipated that revenues, including surplus appropriated of \$200,000, would roughly equal expenditures, the actual results for the year show an increase in surplus of \$44,657 as shown on Exhibit C-1.

- ❖ Actual revenues were \$139,332 more than expected, excluding on-behalf pension and social security reimbursements of \$2,406,690, reflecting a positive variance of \$2,546,022.
- ❖ Actual expenditures were \$260,563 less than expected and shows that there were favorable variances in most expenditure accounts. This excludes state on-behalf pension and social security reimbursements of \$2,406,690.

## Capital Assets

At the end of the fiscal year 2015, the School District had \$14,738,064 invested in land, buildings, furniture and equipment, and vehicles. Table 4 shows fiscal 2015 balances compared to 2014.

Table 4  
Capital Assets (Net of Depreciation) at June 30

	<u>2015</u>	<u>2014</u>
Land	\$ 196,431	\$ 196,431
Land Improvements	295,502	335,699
Building and Improvements	13,381,019	14,308,802
Buses	198,603	284,356
Furniture and Equipment	666,509	753,352
Totals	<u>\$ 14,738,064</u>	<u>\$ 15,878,640</u>

Overall capital assets decreased \$1,140,576 from fiscal year 2014 to fiscal year 2015. Increases in capital assets by purchase or construction were \$108,629. These additions were offset by depreciation expenses of \$1,249,205 for the year.

**Debt Administration:**

At June 30, 2015, the District's outstanding debt was \$9,028,395 and included \$6,381,000 of general obligation bonds, \$800,678 in compensated absences and \$1,846,717 in capital leases. In addition, three new capital leases were approved subsequent to June 30, 2015 for Chrome Books, Buses, Textbooks and Computer Equipment in the total amount of \$936,546.

At June 30, 2015, the School District's overall legal debt margin was \$25,469,285 and the amount available in the debt margin for future borrowing \$19,088,285 or 75% of the total allowable amount.

Remaining outstanding debt at June 30, 2015 is as follows:

<u>Description</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Amount Outstanding June 30, 2015</u>
Construction of Additions and Other Improvements to Middle School	5/1/1999	\$ 6,950,000	\$ 3,075,000
2011 Various Capital Expenditures	12/18/2009	1,856,000	1,636,000
2013 Refunding Issue	3/20/2013	1,805,000	1,670,000

**For the Future**

Presently the Pittsgrove Township School District is in good financial condition. This statement is made in the context of strict growth limitations. Financing current programs in the future is the major concern for the administration and the Board of Education. A new funding structure that has increased reliance on property taxes adds to this concern. The future financing of educational programming will require Pittsgrove Township to make some difficult decisions regarding the allocation of its resources.

The Board of Education continues its commitment to providing quality schooling for the children of Pittsgrove Township. Recent literacy, technology, and reduced class size initiatives attest to the fact. However, with resources being finite, and the continued pressure of federal and state mandated programs, the future is not without challenge. Pittsgrove Township is primarily a residential community, with very few ratables; thus the homeowner bears the tax burden. The current down turn in the economy has impacted future State funding to the school, this has made the budget process more challenging. During this year's budget process, it will be the concern of the administration and Board of Education to conduct a program review of all costs centers in the district.

In conclusion, the Pittsgrove Township School District has committed itself to fiscal responsibility for many years. In addition, the School District's system for financial planning, budgeting, and internal financial controls meet all industry standards and are functioning well. The School District plans to continue its sound fiscal practice, while recognizing the challenge of finding revenues to meet expense requirements.

**Contacting the School District's Financial Management**

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have questions about this report or need additional information contact, Suzanne R. Fox Abdill, School Business Administrator at Pittsgrove Township Board of Education.

## **BASIC FINANCIAL STATEMENTS**

## **DISTRICT WIDE FINANCIAL STATEMENTS**

The statement of net position and the statement of activities display information about the District. These statements include the financial activities of the overall District, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. These statements distinguish between the governmental and business-type activities of the District.

**PITTSGROVE TOWNSHIP SCHOOL DISTRICT**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2015**

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 1,576,956	\$ 356,114	\$ 1,933,070
Receivables, Net	1,529,054	36,000	1,565,054
Inventory	52,978	3,498	56,476
Restricted Assets:			
Capital Reserve Account - Cash	2,731		2,731
Capital Assets, Net (Note 5)	14,686,114	51,950	14,738,064
<b>Total Assets</b>	<b>17,847,833</b>	<b>447,562</b>	<b>18,295,395</b>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>			
Deferred Pension Outflows	607,879		607,879
Deferred Amounts on Refunding of Debt	133,769		133,769
	<b>741,648</b>		<b>741,648</b>
<b>LIABILITIES</b>			
Accounts Payable	967,340	271,945	1,239,285
Interfund Payable	4,500		4,500
Short-Term Loan Payable	1,306,406		1,306,406
Accrued Interest Payable	108,721		108,721
Unearned Revenue	1,115,365	3,664	1,119,029
Net Pension Liability	8,053,869		8,053,869
Noncurrent Liabilities (Note 6):			
Due Within One Year	1,076,968		1,076,968
Due Beyond One Year	7,950,765	662	7,951,427
<b>Total Liabilities</b>	<b>20,583,934</b>	<b>276,271</b>	<b>20,860,205</b>
<b>DEFERRED INFLOWS OF RESOURCES:</b>			
Deferred Pension Inflows	609,495		609,495
<b>NET POSITION</b>			
Invested in Capital Assets, Net of Related Debt	6,458,397	51,950	6,510,347
Restricted for:			
Capital Projects	51,632		51,632
Capital Reserve	2,731		2,731
Permanent Endowment - Nonexpendable	91,322		91,322
Other Purposes	426,454		426,454
Unrestricted (Deficit)	(9,634,484)	119,341	(9,515,143)
<b>Total Net Position (Deficit)</b>	<b>\$ (2,603,948)</b>	<b>\$ 171,291</b>	<b>\$ (2,432,657)</b>

**The accompanying Notes to Financial Statements are an integral part of this statement.**

**PITTSBURGH TOWNSHIP SCHOOL DISTRICT  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2015**

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental Activities:						
Instruction:						
Regular	\$ 7,423,548	\$	\$ 725,433	\$ (6,698,115)	\$	\$ (6,698,115)
Special Education	2,391,672			(2,391,672)		(2,391,672)
Other Special Instruction	364,830			(364,830)		(364,830)
Other Instruction	421,645			(421,645)		(421,645)
Support Services:						
Tuition	898,077			(898,077)		(898,077)
Student & Instruction Related Services	3,473,691	183,483	43,081	(3,247,127)		(3,247,127)
School Administrative Services	1,087,235			(1,087,235)		(1,087,235)
General and Business Admin. Services	675,681	13,605		(662,076)		(662,076)
Central Services and Information Tech.	908,061	19,794		(888,267)		(888,267)
Plant Operations and Maintenance	2,634,144	57,842		(2,576,302)		(2,576,302)
Pupil Transportation	1,906,356	360,838		(1,545,518)		(1,545,518)
Business Support Services	43,180	43,230		50		50
Employee Benefits	9,882,865		5,031,661	(4,851,204)		(4,851,204)
Special Schools	30,078			(30,078)		(30,078)
Interest on Long-Term Debt	291,621			(291,621)		(291,621)
Unallocated Depreciation	1,212,606			(1,212,606)		(1,212,606)
<b>Total Governmental Activities</b>	<b>33,645,290</b>	<b>678,792</b>	<b>5,800,175</b>	<b>(27,166,323)</b>		<b>(27,166,323)</b>
Business-Type Activities:						
Food Service	712,623	374,179	354,947		16,503	16,503
Child Care	128,494	128,520			26	26
<b>Total Business-Type Activities</b>	<b>841,117</b>	<b>502,699</b>	<b>354,947</b>		<b>16,529</b>	<b>16,529</b>
<b>Total Primary Government</b>	<b>\$ 34,486,407</b>	<b>\$ 1,181,491</b>	<b>\$ 6,155,122</b>	<b>(27,166,323)</b>	<b>16,529</b>	<b>(27,149,794)</b>
General Revenues:						
Taxes:						
Property Taxes, Levied for General Purposes, Net				9,296,979		9,296,979
Taxes Levied for Debt Service				503,085		503,085
Federal and State Aid not Restricted				13,842,223		13,842,223
Tuition Received				3,150,646		3,150,646
Investment Earnings				7,005	461	7,466
Miscellaneous Income				406,903		406,903
Transfers				(27,478)		(27,478)
<b>Total General Revenues, Special Items, Extraordinary Items and Transfers</b>				<b>27,179,363</b>	<b>461</b>	<b>27,179,824</b>
Change in Net Position				13,040	16,990	30,030
Net Position—Beginning (Deficit) (Restated)				(2,616,988)	154,301	(2,462,687)
Net Position—Ending (Deficit)				<b>\$ (2,603,948)</b>	<b>\$ 171,291</b>	<b>\$ (2,432,657)</b>

## **FUND FINANCIAL STATEMENTS**

The Individual Fund statements and schedules present more detailed information for the individual fund in a format that segregates information by fund.

**GOVERNMENTAL FUNDS**

**PITTSBURGH TOWNSHIP SCHOOL DISTRICT**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**JUNE 30, 2015**

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Permanent Fund	Total Governmental Funds
<b>ASSETS</b>						
Cash and Cash Equivalents	\$ 806,182		\$ 36,795	\$ 13,397	\$ 98,072	\$ 954,446
Due from Other Funds	751,642					751,642
State Aid Receivable	132,865		569,280			702,145
Federal Aid Receivable		284,579				284,579
Receivables from Other Governments	146,225					146,225
Other Accounts Receivable	37,390					37,390
Restricted Cash - Capital Reserve	2,731					2,731
<b>Total Assets</b>	<b>\$ 1,877,035</b>	<b>\$ 284,579</b>	<b>\$ 606,075</b>	<b>\$ 13,397</b>	<b>\$ 98,072</b>	<b>\$ 2,879,158</b>
<b>LIABILITIES AND FUND BALANCES</b>						
<b>Liabilities:</b>						
Accounts Payable	\$ 786,761	\$ 43,674			\$ 2,250	\$ 832,685
Short-Term Loan Payable	1,306,406					1,306,406
Due to Other Governments		46,265				46,265
Other Liabilities	24,216					24,216
Interfund Payable	206,789	196,737	540,226		4,500	948,252
Unearned Revenue		4,833				4,833
<b>Total Liabilities</b>	<b>2,324,172</b>	<b>291,509</b>	<b>540,226</b>		<b>6,750</b>	<b>3,162,657</b>
<b>Fund Balances:</b>						
<b>Restricted:</b>						
Capital Reserve	2,731					2,731
<b>Assigned:</b>						
Year-End Encumbrances	67,770		14,217			81,987
Designated for Subsequent Years Expenditures	338,000					338,000
<b>Unassigned, Reported In:</b>						
General Fund (Deficit)	(855,638)					(855,638)
Special Revenue Fund (Deficit)		(6,930)				(6,930)
Capital Projects Fund			51,632			51,632
Debt Service Fund				13,397		13,397
Permanent Fund					91,322	91,322
<b>Total Fund Balances (Deficit)</b>	<b>(447,137)</b>	<b>(6,930)</b>	<b>65,849</b>	<b>13,397</b>	<b>91,322</b>	<b>(283,499)</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 1,877,035</b>	<b>\$ 284,579</b>	<b>\$ 606,075</b>	<b>\$ 13,397</b>	<b>\$ 98,072</b>	

Amounts reported for governmental activities in the Statement of Net Position (A-1) are different because:

Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds. The cost of the assets is \$38,713,495 and the accumulated depreciation is \$24,027,381 (See Note 5).	14,686,114
Deferred Outflow of Resources - Deferred Pension Contribution.	133,769
Deferred Inflows of Resources - Pension Actuarial Gains.	607,879
Deferred Inflows of Resources - Employer Pension	(609,495)
Long Term Net Pension Liability	(8,053,869)
Accrued interest is not payable within the current year and therefore, not reported in the funds.	(108,721)
Internal Service Fund - Reserve for Encumbrances	51,607
Long-Term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds (see Note 6).	(9,027,733)
<b>Net Position of Governmental Activities</b>	<b>\$ (2,603,948)</b>

The accompanying Notes to Financial Statements are an integral part of this statement

**PITTSGROVE TOWNSHIP SCHOOL DISTRICT**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2015**

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Permanent Fund	Total Governmental Funds
<b>REVENUES</b>						
Local sources:						
Local Tax Levy	\$ 9,296,979	\$	\$	\$ 503,085	\$	\$ 9,800,064
Tuition Charges - LEA's	3,126,181					3,126,181
Tuition Charges - ELLI	24,465					24,465
Interest Earned	6,611		110		284	7,005
Miscellaneous	211,662	15,241				226,903
<b>Total - Local Sources</b>	<b>12,665,898</b>	<b>15,241</b>	<b>110</b>	<b>503,085</b>	<b>284</b>	<b>13,184,618</b>
State Sources	15,938,138	69,300		277,543		16,284,981
Federal Sources	33,232	746,269				779,501
<b>Total Revenues</b>	<b>28,637,268</b>	<b>830,810</b>	<b>110</b>	<b>780,628</b>	<b>284</b>	<b>30,249,100</b>
<b>EXPENDITURES</b>						
Current:						
Regular Instruction	7,052,588	725,433				7,778,021
Special Education Instruction	2,391,672					2,391,672
Other Special Instruction	364,830					364,830
Other Instruction	421,645					421,645
Support Services:						
Tuition	898,077					898,077
Student & Instruction Related Services	3,244,877	43,081			2,250	3,290,208
General Administrative Services	661,002					661,002
School Administrative Services	1,087,235					1,087,235
Central Services and Information Technology	699,196					699,196
Plant Operations and Maintenance	2,576,302					2,576,302
Pupil Transportation	1,545,518					1,545,518
Employee Benefits	7,271,784	47,055				7,318,839
Debt Service:						
Principal				530,000		530,000
Interest and Other Charges				250,628		250,628
Capital Outlay	360,104	15,241	416			375,761
Special Schools	30,078					30,078
<b>Total Expenditures</b>	<b>28,604,908</b>	<b>830,810</b>	<b>416</b>	<b>780,628</b>	<b>2,250</b>	<b>30,219,012</b>
Excess (Deficiency) of Revenues over Expenditures	32,360		(306)		(1,966)	30,088
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfer to Charter School	(27,478)					(27,478)
Interest Earned Transferred to General Fund	110		(110)			
<b>Total Other Financing Sources and Uses</b>	<b>(27,368)</b>		<b>(110)</b>			<b>(27,478)</b>
<b>Net Change in Fund Balances</b>	<b>4,992</b>		<b>(416)</b>		<b>(1,966)</b>	<b>2,610</b>
Fund Balance—July 1 (Deficit)	(452,129)	(6,930)	66,265	13,397	93,288	(286,109)
<b>Fund Balance—June 30 (Deficit)</b>	<b>\$ (447,137)</b>	<b>\$ (6,930)</b>	<b>\$ 65,849</b>	<b>\$ 13,397</b>	<b>\$ 91,322</b>	<b>\$ (283,499)</b>

The accompanying Notes to Financial Statements are an integral part of this statement

**PITTSBORO TOWNSHIP SCHOOL DISTRICT**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**  
**TO THE STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2015**

**Total Net Change in Fund Balances - Governmental Funds (from B-2)** \$ 2,610

Amounts reported for governmental activities in the Statement of Activities (A-2) are different because:

Capital outlays are reported in governmental funds as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period.

	Depreciation Expense \$	(1,246,752)	
	Capital Lease Principal paid in Operating Budget	378,922	
	Capital Outlays	331,124	
			(536,706)

Pension contributions are reported in governmental funds as expenditures. However, in the statement of activities, the contributions are adjusted for actuarial valuation adjustments, including service and interest costs, administrative costs, investment returns, and experience/assumption. This is the amount by which net pension liability and deferred inflows/outflows related to pension changed during the period. (11,000)

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position and is not reported in the Statement of Activities. 530,000

Increase in Compensated Absences is not considered an expense in the fund statements. 24,890

In the Statement of Activities, interest on long-term debt is accrued, regardless of when it is due. In the governmental funds, interest is charged when payment is due. 16,791

In the Statement of Activities, Deferred Debt Refinancing costs are amortized over the life of the Debt. However, in the governmental fund, no expenditures are incurred. (4,524)

Internal Service Fund - Increase in Reserve for Encumbrances (9,021)

**Change in Net Position of Governmental Activities ( See A-2 )** \$ 13,040

**PROPRIETARY FUNDS**

**PITTS GROVE TOWNSHIP SCHOOL DISTRICT**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
**JUNE 30, 2015**

	Business-type Activities - Enterprise Funds			Governmental Activities - Internal Service Fund
	Food Service	SACC Program	Totals	
<b>ASSETS</b>				
Current Assets:				
Cash and Cash Equivalents	\$ 103,245	\$ 46,080	\$ 149,325	\$ 829,299
Accounts Receivable	28,005	7,995	36,000	357,737
Interfund Receivable	206,789		206,789	
Inventories	3,498		3,498	52,978
Total Current Assets	341,537	54,075	395,612	1,240,014
Noncurrent Assets:				
Furniture, Machinery & Equipment	259,529		259,529	
Less Accumulated Depreciation	(207,579)		(207,579)	
Total Noncurrent Assets	51,950		51,950	
Total Assets	393,487	54,075	447,562	1,240,014
<b>LIABILITIES</b>				
Current Liabilities:				
Accounts Payable	269,881	2,064	271,945	12,583
Interfund Payable				13,701
Other Current Liabilities		662	662	51,591
Unearned Revenue	3,498	166	3,664	1,110,532
Total Liabilities	273,379	2,892	276,271	1,188,407
<b>NET POSITION</b>				
Invested in Capital Assets Net of Related Debt	51,950		51,950	
Assigned to:				
Encumbrances				51,607
Unrestricted	68,158	51,183	119,341	
Total Net Position	\$ 120,108	\$ 51,183	\$ 171,291	\$ 51,607

The accompanying Notes to Financial Statements are an integral part of this statement

**PITTSBORO TOWNSHIP SCHOOL DISTRICT**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2015**

	<b>Business-type Activities - Enterprise Fund</b>			<b>Governmental Activities - Internal Service Fund</b>
	<b>Food Service</b>	<b>SACC Program</b>	<b>Total Enterprise</b>	
<b>Operating Revenues:</b>				
Charges for Services:				
Daily Sales - Reimbursable Programs	\$ 238,556		\$ 238,556	
Daily Sales - Non-reimbursable Programs	109,024		109,024	
Special Functions	26,099		26,099	
Miscellaneous	500		500	
Service Charges		128,520	128,520	1,057,735
<b>Total Operating Revenues</b>	<b>374,179</b>	<b>128,520</b>	<b>502,699</b>	<b>1,057,735</b>
<b>Operating Expenses:</b>				
Cost of Sales	300,587		300,587	
Salaries	214,484	105,356	319,840	210,311
Employee Benefits	41,498	8,060	49,558	28,337
Equipment				335,196
Purchased Professional/ Technical Services				157,280
Other Purchased Services				210
Supplies and Materials	32,756		32,756	111,391
Management Fees	57,462		57,462	
Insurance	16,503		16,503	
Miscellaneous Other Costs	46,880	15,078	61,958	16,465
Depreciation	2,453		2,453	8,623
<b>Total Operating Expenses</b>	<b>712,623</b>	<b>128,494</b>	<b>841,117</b>	<b>867,813</b>
Operating Income (loss)	(338,444)	26	(338,418)	189,922
<b>Non-operating Revenues (Expenses):</b>				
State Sources:				
State School Lunch Program	7,051		7,051	
Federal Sources:				
National School Lunch Program	234,223		234,223	
National School Breakfast Program	67,424		67,424	
Special Milk Program	1,618		1,618	
Food Distribution Program	44,631		44,631	
Transfer to Unearned Revenue				(378,943)
Cancellation of Accounts Payable				180,000
Interest and Miscellaneous Items	271	190	461	
<b>Total Non-operating Revenues (Expenses)</b>	<b>355,218</b>	<b>190</b>	<b>355,408</b>	<b>(198,943)</b>
Income (Loss) before Contributions & Transfers	16,774	216	16,990	(9,021)
Change in Net Position	16,774	216	16,990	(9,021)
<b>Total Net Position—Beginning</b>	<b>103,334</b>	<b>50,967</b>	<b>154,301</b>	<b>60,628</b>
<b>Total Net Position—Ending</b>	<b>\$ 120,108</b>	<b>\$ 51,183</b>	<b>\$ 171,291</b>	<b>\$ 51,607</b>

The accompanying Notes to Financial Statements are an integral part of this statement

**PITTSBURGH TOWNSHIP SCHOOL DISTRICT**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2015**

	Business-type Activities - Enterprise Funds			Governmental Activities - Internal Service Fund
	Food Service	SACC Program	Total Enterprise	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts from customers	\$ 374,179	\$ 128,520	\$ 502,699	\$ 749,055
Payments to employees	(214,484)	(105,356)	(319,840)	(210,311)
Payments for employee benefits	(41,498)	(8,060)	(49,558)	(28,337)
Payments to suppliers	(377,572)	(19,771)	(397,343)	(606,524)
Net cash provided by (used for) operating activities	(259,375)	(4,667)	(264,042)	(96,117)
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
State Sources	7,051		7,051	
Federal Sources	303,265		303,265	
Net cash provided by (used for) non-capital financing activities	310,316		310,316	
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Purchases of capital assets				
Net cash provided by (used for) capital and related financing activities				
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Interest and dividends	271	190	461	
Proceeds from sale/maturities of investments				
Net cash provided by (used for) investing activities	271	190	461	
Net increase (decrease) in cash and cash equivalents	51,212	(4,477)	46,735	(96,117)
Balances—beginning of year	52,033	50,557	102,590	925,416
Balances—end of year	\$ 103,245	\$ 46,080	\$ 149,325	\$ 829,299
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>				
Operating income (loss)	\$ (338,444)	\$ 26	\$ (338,418)	\$ 189,922
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:				
Depreciation	2,453		2,453	8,623
Federal commodities	44,631		44,631	
(Increase) decrease in accounts receivable, net	44,279	2,038	46,317	(291,256)
(Increase) decrease in interfund receivable	(135,176)		(135,176)	
(Increase) decrease in inventories	(644)		(644)	
(Increase) decrease in fixed assets, net	(17,129)		(17,129)	
Increase (decrease) in accounts payable	141,055	41	141,096	(3,406)
Increase (decrease) in unearned revenue	(400)	(3,113)	(3,513)	378,943
Increase (decrease) in interfun ds payable		(3,754)	(3,754)	
Increase (decrease) in other liabilities				(180,000)
Increase (decrease) in compensated absences		95	95	
Transfers to Unearned Revenue				(378,943)
Cancellation of Accounts Payable				180,000
Total adjustments	79,069	(4,693)	74,376	(286,039)
Net cash provided by (used for) operating activities	\$ (259,375)	\$ (4,667)	\$ (264,042)	\$ (96,117)

**FIDUCIARY FUNDS**

**PITTSGROVE TOWNSHIP SCHOOL DISTRICT**  
**STATEMENT OF FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
**JUNE 30, 2015**

	<u>Private Purpose Scholarship Fund</u>	<u>Agency Fund</u>
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 98,072	\$ 172,472
Due from Scholarship Fund		4,500
	<hr/>	<hr/>
Total Assets	98,072	176,972
	<hr/>	<hr/>
<b>LIABILITIES</b>		
Accounts Payable	2,250	6,325
Due to Student Activity Fund	4,500	
Payable to Student Groups		155,583
Payroll Deductions and Withholdings		14,086
Due to Current Fund		978
	<hr/>	<hr/>
Total Liabilities	6,750	\$ 176,972
	<hr/>	<hr/>
<b>NET POSITION</b>		
Reserved for Scholarships	\$ 91,322	
	<hr/>	

The accompanying Notes to Financial Statements are an integral part of this statement

**PITTSGROVE TOWNSHIP SCHOOL DISTRICT**  
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2015**

	<b><u>Private Purpose Scholarship Fund</u></b>
<b>ADDITIONS</b>	
Contributions	\$
Investment Earnings:	
Interest	284
	<hr/>
Total Additions	284
<b>DEDUCTIONS</b>	
Scholarships Awarded	2,250
	<hr/>
Change in Net Position	(1,966)
Net Position—Beginning of the Year	93,288
	<hr/>
Net Position—End of the Year	\$ 91,322
	<hr/> <hr/>

The accompanying Notes to Financial Statements are an integral part of this statement

**PITTSGROVE TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015**

**NOTE 1. DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY**

Pittsgrove Township School District (District) is organized under the Constitution of the State of New Jersey. The District operates under a locally elected Board form of government consisting of nine members elected to three-year terms, which are staggered. The District provides educational services as authorized by state and federal guidelines.

The District serves an area of sixty-five square miles. It is located in Salem County and provides education for all of Pittsgrove Township's grades K through 12. The District currently operates four instructional buildings, an administrative building, and a special services building.

**A. Reporting Entity:**

The Pittsgrove Township School District is a Type II district located in the County of Salem, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The board is comprised of nine members elected to three-year terms and one sending district member appointed annually. The purpose of the district is to educate students in grades K-12. The School District had an approximate enrollment at June 30, 2015 of 1,801 students.

The primary criterion for including activities within the District's reporting entity, per Sec. 2100 of GASB Codification of Governmental Accounting and Financial Reporting Standards, is whether:

- the organization is legally separate (can sue or be sued in their own name)
- the District holds the corporate powers of the organization
- the District appoints a voting majority of the organization's board
- the District is able to impose its will on the organization
- the organization has the potential to impose a financial benefit/burden on the District
- there is a fiscal dependency by the organization on the District

Based on the aforementioned criteria, the District has no component units.

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Recently Issued and Adopted Accounting Pronouncements:**

The district adopted the following GASB statements:

GASB 67, Financial Reporting for Pension Plans, an Amendment of GASB 25, will be effective beginning with the year ending June 30, 2013. The objective of this Statement is to improve financial reporting by state and local governmental pension plans. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision- useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. This statement replaces the requirements of Statement No. 25, Financial reporting for Deferred Benefit Pension Plans and Note Disclosures for Defined Contribution Plans and No.50, Pension Disclosures, as they relate to pension plans that are administered through trusts or equivalent arrangements that meet certain criteria. The adoption of GASB 67, however, does not have any impact on the School District's financial statements.

PITTSGROVE TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**Recently Issued and Adopted Accounting Pronouncements: (continued)**

GASB 68, Accounting and Financial reporting for Pensions, will be effective beginning with the year ending June 30, 2014. The objective of this Statement is to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other state entities. This Statement replaces the requirements of Statement No.27, Accounting for Pension Disclosures, and Local Governmental Employers, as well as the requirements of Statement No.50, Pension Disclosures, as they relate to pensions that are provided through pension plans administered as trusts or equivalent arrangements that meet certain criteria. The adoption of GASB 68, will impact the financial statements of the School District's.

- In November 2013, the GASB issued Statement 71, Pension Transition for Contributions made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68. GASBS 71 is to address an issue regarding application of the transition provisions of Statement No. 68, Accounting and Financial Reporting for Pensions. The issue relates to amounts associated with contributions, if any, made by a state or local government employer or non-employer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability. The requirements of this Statement will eliminate the source of a potential significant understatement of restated beginning net position and expense in the first year of implementation of Statement 68 in the accrual-basis financial statements of employers and non-employer contributing entities. This Statement is effective for fiscal years beginning after June 15, 2014. The adoption of GASB 71, will impact the financial statements of the School District's.

Other accounting standards that the District is currently reviewing for applicability and potential impact on the financial statements include:

GASB 69, Government Combinations and Disposals of Government Operations, is effective for periods beginning after December 15, 2013. This Statement establishes accounting and financial reporting standards related to government combinations and disposals of government operations. As used in this Statement, the term government combinations includes a variety of transactions referred to as mergers, acquisitions, and transfers of operations. The District is currently evaluating the impact of the adoption of this Statement on the School District's financial statements, although no impact is expected.

**A. Basis of Presentation:**

The District's basic financial statements consist of District-wide statements, including a statement of Net Position and a statement of activities, and fund financial statements, which provide a more detailed level of financial information.

District-wide Statements: The statement of Net Position and the statements of activities display information about the financial activities of the overall district, except for fiduciary activities.

PITTSGROVE TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**A. Basis of Presentation: (continued)**

Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the *governmental* and *business-type activities* of the District. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The statement of Net Position presents the financial condition of the governmental and business-type activities of the District at the fiscal year end while the statement of activities presents a comparison between direct expenses and program revenues for each different business-type activity of the District and for each function of the District's governmental activities.

- Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Indirect expenses-expenses of the District related to the administration and support of the District's programs, such as personnel and accounting-are not allocated to programs.
- Program revenues include (a) charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes and state formula aid, are presented as general revenues.

**Fund Financial Statements:** During the fiscal year, the School District segregates transactions related to certain School District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. The fund financial statements provide information about the District's funds, including its fiduciary funds. Separate statements for each fund category – *governmental*, *proprietary*, and *fiduciary* – are presented. The New Jersey Department of Education (NJDOE) has elected to require New Jersey districts to treat each governmental fund as a major fund in accordance with the opinion noted in GASB No. 34, paragraph 76. The NJDOE believes that the presentation of all funds as major is important for public interest and to promote consistency among district financial reporting.

**B. Fund Accounting:**

The accounts of the District are maintained in accordance with the principles of fund accounting to ensure observance of limitations and restrictions on the resources available. The principles of fund accounting require that resources be classified for accounting and reporting purposes into funds in accordance with activities or objectives specified for the resources. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

**PITTSGROVE TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**B. Fund Accounting: (continued)**

**GOVERNMENTAL FUND TYPE**

The focus of Governmental Fund measurement is upon determination of financial position and changes in financial position, (sources, uses and balances of financial resources) rather than upon net income. The District reports the following major governmental funds:

**General Fund** - The General Fund is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund. Included are certain expenditures for vehicles and movable instructional or non-instructional equipment which are classified in the Capital Outlay sub-fund.

As required by the New Jersey State Department of Education, the District includes budgeted Capital Outlay in this fund. Generally accepted accounting principles as they pertain to governmental entities state that General Fund resources may be used to directly finance capital outlays for long-lived improvements as long as the resources in such cases are derived exclusively from unrestricted revenues.

Resources for budgeted capital outlay purposes are normally derived from State of New Jersey Aid, district taxes and appropriated fund balance. Expenditures are those that result in the acquisition of or additions to capital assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment. These resources can be transferred from and to Current Expense by board resolution.

**Special Revenue Fund** - The Special Revenue Fund is used to account for the proceeds of specific revenue from State and Federal Government, (other than major capital projects, Debt Service or the Enterprise Funds) and local appropriations that are legally restricted to expenditures for specified purposes.

**Capital Projects Fund** - The Capital Projects Fund is used to account for all financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by Proprietary Funds). The financial resources are derived from temporary notes or serial bonds that are specifically authorized by the voters as a separate question on the ballot either during the annual election or at a special election.

**Debt Service Fund** - The Debt Service Fund is used to account for the accumulation of resources for, and the payment of principal and interest on bonds issued to finance major property acquisition, construction and improvement programs.

**PROPRIETARY FUND TYPE**

The focus of Proprietary Fund measurement is upon determination of net income, financial position and cash flows. The generally accepted accounting principles applicable are those similar to businesses in the private sector. The following is a description of the Proprietary Funds of the District:

PITTSGROVE TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**B. Fund Accounting (Cont'd):**

**PROPRIETARY FUND TYPE**

**Enterprise (Food Service and SACC) Funds** - The Enterprise Funds are utilized to account for operations that are financed and operated in a manner similar to private business enterprises -- where the intent of the District is that the costs (i.e. expenses including depreciation and indirect costs) of providing goods or services to the students on a continuing basis be financed or recovered primarily through user charges; or, where the District has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

The District's Enterprise Fund is comprised of the Food Service Fund and the School Age Child Care Program.

All proprietary funds are accounted for on a cost of services or "capital maintenance" measurement focus. This means that all assets and all liabilities, whether current or noncurrent, associated with their activity are included on their balance sheets. Their reported fund equity (net total assets) is segregated into contributed capital and unreserved retained earnings, if applicable. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in net total assets.

Depreciation of all exhaustive fixed assets used by proprietary funds is charged as an expense against their operations. Accumulated depreciation is reported on proprietary fund balance sheets. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

Food Service Fund:	
Equipment	7-20 Years

**Internal Service Fund** - The Internal Service Fund has been established to account for various services provided by the Pittsgrove Township School District for use by various other districts within and outside of the County of Salem, as well as for the Pittsgrove Township School District itself. Services are generally provided on a cost-reimbursement basis.

The district implemented the use of internal service funds for the following:

- Business Services
- Internet Access
- Distance Learning Hub
- Transportation Jointures
- Joint paper purchasing for other school districts
- Art Academy
- Custodial Services – Through October, 2009

**PITTSBORO TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**B. Fund Accounting (Cont'd):**

**FIDUCIARY FUND TYPE**

Fiduciary Funds include Expendable Trust, Nonexpendable Trust and Agency Funds. The measurement focus of the Expendable Trust Funds is the same as for governmental funds. The measurement focus of the Nonexpendable Trust Funds is similar to Proprietary Funds. Agency Funds are purely custodial (assets equal liabilities) and thus do not involve measurement of results of operations. The following is a description of the Fiduciary Funds of the School District:

**Trust and Agency Funds** - The Trust and Agency Funds are used to account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governments and/or other funds.

**Expendable Trust Fund** - An Expendable Trust Fund is accounted for in essentially the same manner as the governmental fund types, using the same measurement focus and basis of accounting. Expendable Trust Funds account for assets where both the principal and interest may be spent. Expendable Trust Funds include the Unemployment Compensation Insurance fund.

**Nonexpendable Trust Fund** - A Nonexpendable Trust Fund is used to account for assets held under the terms of a formal trust agreement, whereby the District is under obligation to maintain the trust principal. The District maintains a Scholarship Fund as a Nonexpendable Trust Fund.

**Agency Funds** - Agency funds are used to account for the assets that the District holds on behalf of others as their agent. Agency funds are custodial in nature and do not involve measurement of results of operations. Agency funds include payroll and student activities funds.

**C. Basis of Accounting and Measurement Focus:**

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements.

*District-wide, Proprietary and Fiduciary Fund Financial Statements:* The District-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting; the enterprise fund and fiduciary funds use the accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of unearned revenue, and in the presentation of expenses versus expenditures. Ad Valorem (Property) Taxes are susceptible to accrual as under New Jersey State Statute a municipality is required to remit to its school district the entire balance of taxes in the amount voted upon or certified, prior to the end of the school year. The District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year, since the revenue is both measurable and available. The District is entitled to receive monies under the established payment schedule and the unpaid amount is considered to be an "accounts receivable". Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

**PITTSGROVE TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**C. Basis of Accounting and Measurement Focus (Cont'd):**

*Governmental Fund Financial Statements:* Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred, except for the principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures in governmental funds. Proceeds of long-term debt and acquisitions under capital leases are reported as other financing sources.

In its accounting and financial reporting, the District follows the pronouncements of the Governmental Accounting Standards Board (GASB) and the pronouncements of the Financial Accounting Standards Board (FASB) and its predecessor organizations issued on or before November 30, 1989, unless they conflict with or contradict GASB pronouncements. The District's proprietary funds have elected not to apply the standards issued by FASB after November 30, 1989. The accrual basis of accounting is used for measuring the financial position and operating results of proprietary fund types and nonexpendable trust funds. Under this method, revenues are recognized in the accounting period in which they are earned and expenses are recognized when they are incurred.

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds there are no substantial differences between the budgetary basis of accounting and generally accepted accounting principles with the exception of the legally mandated revenue recognition of the last state aid payment for budgetary purposes only and the special revenue fund as noted below. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year end.

**D. Budgets/Budgetary Control:**

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue, and debt service funds, which are submitted to the county office. In accordance with P.L. 2011, c. 202, the School District passed a resolution to move the school board election to the first Tuesday after the first Monday in November, starting in November of 2012 and to be held simultaneously with the general election. As a result, a vote is not required on the School District's general fund tax levy for the budget year, other than the general fund tax levy required to support a proposal for additional funds, if any. Budgets are prepared using the modified accrual basis of accounting, except for the special revenue fund as described later. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6A:23A-16.2 (f) 1. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year in accordance with N.J.A.C. 6A:23A-13.3. The Board of Education did not make any material supplemental budgetary appropriations during the fiscal year. The accounting records of the special revenue fund are maintained on the grant accounting budgetary basis. The grant accounting budgetary basis differs from GAAP in that the grant accounting budgetary basis recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. Sufficient supplemental records are maintained to allow for the presentation of GAAP basis financial reports.

**PITTSGROVE TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

The following presents a reconciliation of the special revenue funds from the budgetary basis of accounting as presented in the Combined Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – General, Special Revenues and Debt Service Funds to the GAAP basis of accounting as presented in the Combined Statement of Revenues, Expenditures and Changes in Fund Balances – All Governmental Fund Types. Note that the district does not report encumbrances outstanding at year end as expenditures in the general fund since the general fund budget follows modified accrual basis with the exception of the revenue recognition policy for the last state aid payment. The general fund statement of revenue reflects the last state aid payment of the prior year, which was received in July 2014 as revenue, but omits the last state aid payment of the current 2014-15 year received in July 2015.

**E. Encumbrances:**

Under encumbrance accounting purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve a portion of the applicable appropriation. Open encumbrances in governmental funds, other than the special revenue fund, are reported as reservations of fund balances at fiscal year end as they do not constitute expenditures or liabilities but rather commitments related to unperformed contracts for goods and services.

Open encumbrances in the special revenue fund, for which the District has received advances, are reflected in the balance sheet as unearned revenues at fiscal year end.

The encumbered appropriation authority carries over into the next fiscal year. An entry will be made at the beginning of the next fiscal year to increase the appropriation reflected in the certified budget by the outstanding encumbrance amount as of the current fiscal year end.

**F. Tuition Receivable:**

Tuition charges were established by the Board of Education based on estimated costs. The charges are subject to adjustment when the final costs have been determined.

**G. Tuition Payable:**

Tuition charges for the fiscal years 2014-15, 2013-14 and 2012-13 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined.

**H. Inventories and Prepaid Expenses:**

Inventories and prepaid expenses, which benefit future periods, other than those recorded in the Enterprise Fund are recorded as expenditure during the year of purchase.

On district-wide financial statements and in the Enterprise Fund inventories are valued at cost, which approximates market, using the first-in-first-out (FIFO) method. Prepaid expenses in the Enterprise Fund represent payments made to vendors for services that will benefit periods beyond June 30, 2015.

PITTSBORO TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**I. Short -Term Interfund Receivables/Payables:**

Short-term interfund receivables/payables represent amounts that are owed, other than charges for goods or services rendered to/from a particular fund in the District and that are due within one year.

**J. Assets, Liabilities and Equity:**

Transactions

Interfund receivables/payables represent amounts that are owed, other than charges for goods or services rendered to/from a particular fund in the District and that are due within one year.

Inventories

On District-wide financial statements and in the enterprise fund inventories are valued at cost, which approximates market, using the first-in-first-out (FIFO) method and is expensed when used. Of the \$3,498 in inventory reflected as of June 30, 2015, Federal Commodity Food represents the entire amount. Per agreement with the management service company, supply and purchased food inventory is owned by the management company. Supply and purchased food consumed by the District is billed to the District in the period consumed. Prepaid expenses in the Enterprise Fund represent payments made to vendors for services that will benefit periods beyond June 30, 2015.

The value of Federal donated commodities as reflected on Schedule A (required by the Single Audit Law of 1986, as revised) is the difference between market value and cost of the commodities at the date of purchase and has been included as an item of non-operating revenue in the financial statements.

Capital Assets - The District is establishing a formal system of accounting for its capital assets. Capital assets acquired or constructed during the year are recorded at actual cost. Donated fixed assets are valued at their estimated fair market value on the date received. Capital assets acquired or constructed prior to June 30, 2003 are valued at cost based on historical records or through estimation procedures performed by an independent appraisal company. Capital assets are reflected as expenditures in the applicable governmental funds. The cost of normal repairs and maintenance that do not add to the value of the asset or materially extend assets lives are not capitalized.

Capital assets are depreciated in the District-wide financial statements using the straight-line method over the following estimated useful lives:

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
School Building	30-50
Building Improvements	20
Electrical/Plumbing	30
Vehicles	8
Office and Computer Equipment	5-10
Instructional Equipment	10
Grounds Equipment	15

PITTSGROVE TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**K. Compensated Absences:**

Compensated absences are those absences for which employees will be paid, such as vacation, sick leave, and sabbatical leave. A liability for compensated absences that are attributable to services already rendered, and that are not contingent on a specific event that is outside the control of the District and its employees, is accrued as the employees earn the rights to the benefits. Compensated absences that relate to future services, or that are contingent on a specific event that is outside the control of the District and its employees, are accounted for in the period in which such services are rendered or in which such events take place. In governmental and similar trust funds, compensated absences that are expected to be liquidated with expendable available financial resources are reported as expenditure and fund liability in the fund that will pay for the compensated absences. The remainder of the compensated absences liability is reported in the Long-Term Debt. In proprietary and similar trust funds, compensated absences are recorded as an expense and liability of the fund that will pay for them.

**L. Unearned Revenue:**

Unearned Revenue in the special revenue fund represents cash that has been received but not yet earned.

**M. Bond and Lease Acquisition Costs:**

As part of any long-term bond or lease agreement, providing for the use of school buildings, payments constituting professional lease acquisition and other related professional fees will be expensed when incurred in accordance with GASB Statement No. 65. The prior year Net Position has been restated, to write off the balance of unamortized bond and lease issue costs as of June 30, 2015.

**N. Operating Revenues and Expenses:**

Operating revenues are those revenues that are generated directly from the primary activity of the enterprise fund. For the School District, these revenues are sales for food service. Operating expenses are necessary costs incurred to provide the service that is the primary activity of the enterprise fund.

**O. Allocation of Indirect Expenses:**

The District reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Indirect expenses are allocated to functions but are reported separately in the Statement of Activities. Employee benefits, including the employer's share of social security, workers compensation, and medical and dental benefits, were allocated based on salaries of that program. Depreciation expense, where practicable, is specifically identified by function and is included in the indirect expense column of the Statement of Activities. Depreciation expense that could not be attributed to a specific function is considered an indirect expense and is reported separately on the Statement of Activities. Interest on long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

**P. Extraordinary and Special Items:**

Extraordinary items are transactions or events, unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of management and are either unusual in nature or infrequent in occurrence. Neither of these types of transactions occurred during the fiscal year.

**PITTSBORO TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**Q. Accrued Liabilities and Long-term Obligations:**

All payables, accrued liabilities, and long-term obligations are reported on the District-wide financial statements. Long-term debt is recognized as a liability of a governmental fund when due, or when resources have been accumulated in the debt service fund for payment early in the following year. For other long-term obligations, only that portion expected to be financed from expendable available financial resources is reported as a fund liability of a governmental fund.

**R. Fund Equity:**

Contributed capital represents the amount of fund capital contributed to the proprietary funds from other funds. Reserves represent those portions of fund equity not available for appropriation for expenditure or legally segregated for a specific future use. Designated fund balances represent plans for future use of financial resources.

**S. Comparative Data/Reclassifications:**

Comparative total data for the prior year have been presented in selected sections of the accompanying financial statements in order to provide an understanding of the changes in the District's financial position and operations. Also, certain immaterial amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

**T. Management Estimates:**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts of revenues and expenditures/expenses during the reporting period. Accordingly, actual results could differ from those estimates.

**U. Net Position:**

Net Position represents the difference between assets and liabilities. Net investment in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any borrowing used for the acquisition, construction, or improvement of those assets. Net Position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The School District's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted Net Position is available.

**V. Fund Balance Reserves:**

The School District reserves those portions of fund balance which are legally segregated for a specific future use or which do not represent available expendable resources and, therefore, are not available for appropriation or expenditure. Unreserved fund balance indicates that portion which is available for appropriation in future periods. A fund balance reserve has been established for encumbrances.

**PITTSGROVE TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**W. Revenues – Exchange and Non-exchange Transactions:**

Revenue is resulting from exchange transactions, in which each party gives and receives essentially equal value, and is recorded on the accrual basis when the exchange takes place. On the modified accrual basis, revenue is recorded in the fiscal year in which resources are measurable and become available. Available means the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the District, available means within sixty days of the fiscal year end.

Non-exchange transactions, in which the School District receives value without directly giving equal value in return, include property taxes, income taxes, grants, entitlements, and donations. On the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from income taxes is recognized in the period in which the income is earned.

Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or for the fiscal year when use is first permitted; matching requirements, in which the School District must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis.

On the modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized. Under the modified accrual basis, the following revenue sources are considered both measurable and available at fiscal year end: property taxes available as an advance, interest, and tuition.

**NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS**

Cash and cash equivalents include petty cash, change funds, cash in banks and all highly liquid investments with a maturity of three months or less at the time of purchase and are stated at cost plus accrued interest. U.S. Treasury and agency obligations and certificates of deposit with maturities of one year or less when purchased are stated at cost. All other investments are stated at fair value.

New Jersey school districts are limited as to the types of investments and types of financial institutions they may invest in. New Jersey statute 18A:20-37 provides a list of permissible investments that may be purchased by New Jersey school districts.

Investments are stated at cost, or amortized cost, which approximates market. The amortized cost method involves valuing a security at its cost on the date of purchase and thereafter assuming a constant amortization to maturity for any discount or premium. The Board classifies certificates of deposit, which have original maturity dates of more than three months but less than twelve months from the date of purchase, as investments.

**Deposits:**

New Jersey statutes require that school districts deposit public funds in public depositories located in New Jersey, which are insured by the Federal Deposit Insurance Corporation, the Federal Savings and Loan Insurance Corporation, or by any other agency of the United States that insures deposits made in public depositories, including in the State of New Jersey Cash Management Fund.

**PITTSBORO TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015**

**NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONT'D)**

New Jersey statutes require public depositories to maintain collateral for deposits of public funds that exceed depository insurance limits as follows:

The market value of the collateral must equal at least 5% of the average daily balance of collected public funds on deposit.

In addition to the above collateral requirement, if the public funds deposited exceed 75% of the capital funds of the depository, the depository must provide collateral having a market value at least equal to 100% of the amount exceeding 75%.

All collateral must be deposited with the Federal Reserve Bank of New York, the Federal Reserve Bank of Philadelphia, the Federal Home Loan Bank of New York, or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000,000.

**Investments:**

New Jersey statutes permit the Board to purchase the following types of securities:

- a. Bonds or other obligations of the United States or obligations guaranteed by the United States.
- b. Bonds of any Federal Intermediate Credit Bank, Federal Home Loan Bank, Federal National Mortgage Agency or of any United States Bank for Cooperatives, which have a maturity date no greater than twelve months from the date of purchase.
- c. Bonds or other obligations of the school district.

As of June 30, 2015, cash and cash equivalents in the fund financial statements of the District consisted of the following:

	<b>Cash and Cash Equivalents</b>
Checking Accounts	\$ 1,936,226
N.J. Cash Management Fund	270,119
Total	<u>\$ 2,206,345</u>

**Custodial Credit Risk** – Custodial credit risk is the risk that, in the event of a bank failure, the District's deposits may not be recovered. Although the District does not have a formal policy regarding custodial credit risk, NJSA 17:9-41 t seq. requires that the governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). GUDPA is a supplemental insurance program set forth by the New Jersey Legislature to protect the deposits of local government agencies. The program is administered by the Commissioner of the NJ Department of Banking and Insurance. Under the Act, the first \$250,000 of governmental deposits in each insured depository is protected by FDIC. Funds owned by the District in excess of FDIC insured amounts are protected by GUDPA. As of June 30, 2015, the District's bank balance of \$2,791,312 was exposed to custodial credit risk as follows:

PITTSGROVE TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015

**NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONT'D)**

**Custodial Credit Risk (Cont'd)**

Insured	\$	500,000
Uninsured and collateralized under GUDPA by pledging financial institutions		<u>2,291,312</u>
	\$	<u>2,791,312</u>

**Interest Rate Risk** - Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment.

**Credit Risk** - Credit risk is the risk that an issuer of an investment will not fulfill its obligations. The District does not have a policy that restricts investment choices beyond Title 18A:20-37.

**New Jersey Cash Management Fund** – During the fiscal year, the School District participated in the New Jersey Cash Management Fund. The Fund is governed by regulations of the State Investment Council, who prescribe standards designed to insure the quality of investments in order to minimize risk to the Funds participants. Deposits with the New Jersey Cash Management Fund are not subject to custodial credit risk as defined above. At June 30, 2015, the District had \$270,095 on deposit with the New Jersey Cash Management Fund.

**NOTE 4. CAPITAL RESERVE ACCOUNT**

Capital reserve accounts may be established by New Jersey school districts for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. A capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget. Funds placed in the capital reserve account are restricted to capital projects in the district's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the department, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at year end of any unanticipated revenue or un-expended line-item appropriation amounts, or both. A district may also appropriate additional amounts when the express approval of voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to *N.J.A.C. 6A:23A-14.1(g)*, the balance in the account cannot at any time exceed the local support cost of uncompleted capital projects in its approved LRFP.

The activity of the capital reserve for the July 1, 2014 to June 30, 2015 fiscal year is as follows:

Beginning Balance July 1, 2014	\$2,721
Interest Earnings	10
Withdrawal: Transfer to the Debt Service Fund	( )
Ending balance June 30, 2015	<u>\$ 2,731</u>

The June 30, 2015 balance in the Capital Reserve Account is within the maximum balance per the districts' LRFP. There was no withdrawal from the account during the school year ended June 30, 2015.

**PITTSGROVE TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015**

**NOTE 5. CAPITAL ASSETS**

The Capital asset activity for the year ended June 30, 2015 was as follows:

	<b>Balance 7/1/2014</b>	<b>Additions</b>	<b>Transfer</b>	<b>Balance 6/30/2015</b>
<b>Governmental activities:</b>				
Capital Assets That Are Not Being Depreciated:				
Land	\$ 196,431	\$	\$	\$ 196,431
Construction in progress				
Total capital assets not being depreciated	196,431			196,431
Land improvements	2,189,895			2,189,895
Building and building improvements	26,890,621	59,316		26,949,937
Buses	2,167,881			2,167,881
Furniture and equipment	7,177,167	32,184		7,209,351
Totals at historical cost	38,425,564	91,500		38,517,064
Less accumulated depreciation for :				
Land improvements	(1,854,196)	(40,197)		(1,894,393)
Building and improvements	(12,581,819)	(987,099)		(13,568,918)
Buses	(1,883,525)	(85,753)		(1,969,278)
Furniture and Equipment	(6,461,089)	(133,703)		(6,594,792)
Total accumulated depreciation	(22,780,629)	(1,246,752)		(24,027,381)
Total capital assets being depreciated, net of accumulated depreciation	15,644,935	(1,155,252)		14,489,683
<b>Government activities capital assets, net</b>	<b>\$ 15,841,366</b>	<b>\$ (1,155,252)</b>	<b>\$</b>	<b>\$ 14,686,114</b>
	To A-1			To A-1
<b>Business-type activities:</b>				
Capital assets being depreciated:				
Equipment	\$ 242,400	\$ 17,129	\$	\$ 259,529
Less accumulated depreciation for :				
Equipment	(205,126)	(2,453)		(207,579)
<b>Business-type activities capital assets, net</b>	<b>\$ 37,274</b>	<b>\$ 14,676</b>	<b>\$</b>	<b>\$ 51,950</b>

\* Depreciation expense was charged to governmental functions as follows:

Instructional	\$ 33,072
Administration	1,074
Unallocated Depreciation	1,212,606
Total depreciation expense	<b>\$ 1,246,752</b>

**PITTSGROVE TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015**

**NOTE 6. LONG-TERM DEBT**

Long-term liability activity for the year ended June 30, 2015 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amounts Due within One Year</u>	<u>Long-term Portion</u>
<b>Governmental Activities:</b>						
Bonds payable:						
NJEDA	\$	\$	\$	\$	\$	\$
General obligation debt	6,911,000		(530,000)	6,381,000	550,000	5,831,000
Total bonds payable	6,911,000		(530,000)	6,381,000	550,000	5,831,000
Other Liabilities:						
Obligations under capital lease	2,456,640		(609,923)	1,846,717	526,968	1,319,749
Compensated absences payable	824,906		(24,890)	800,016		800,016
Total liabilities	\$ 10,192,546	\$	\$ (1,164,813)	\$ 9,027,733	\$ 1,076,968	\$ 7,950,765
<b>Business-Type Activities:</b>						
Compensated absences payable	\$ 567	\$ 95	\$	\$ 662	\$	\$ 662

**A. Bonds Payable** - Bonds are authorized in accordance with State law by the voters of the District through referendums. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the District are general obligation bonds. On May 21, 2009 the Board of Education Advance-Refunded the 1999 Bond Issue in the amount of \$4,850,000 in refunding bonds at various interest rates per redemption batch, from 3% to 4.25 %. The balance of these bonds is \$3,075,000 as of June 30, 2015.

The District was awarded state grant funding for various capital projects for renovations and improvements to the Olivet elementary school, Middle school and A. P. Schalick High School, of which a bond referendum was held on September 29, 2009 to seek voter approval for the District's matching share of \$1,856,000. Voter approval was achieved and accordingly, bonds were issued with interest rates ranging from 3.5% to 4%. The balance of these bonds is \$1,636,000, as of June 30, 2015.

**B. Serial Bonds Payable**- Principal and interest due on bonds outstanding is as follows:

Year ending June 30,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 550,000	\$ 235,428	\$ 785,428
2017	560,000	218,028	778,028
2018	580,000	196,628	776,628
2019	595,000	172,928	767,928
2020	605,000	148,753	753,753
2021	640,000	125,496	765,496
2022	655,000	101,009	756,009
2023	675,000	75,753	750,753
2024	730,000	49,809	779,809
2025	410,000	29,240	439,240
2026	185,000	15,240	200,240
2027	196,000	7,836	203,836
	\$ 6,381,000	\$ 1,376,148	\$ 7,757,148

**PITTSGROVE TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**NOTE 6. LONG-TERM DEBT (CONT'D)**

**C. Capital Leases** - The District is leasing Buses, Computers, Kitchen Renovations, Smartboards, a Truck, an Energy Retrofit, a New Roof and various other items under capital leases. In accordance with GASB Statement No. 65, the associated debt issue costs were expensed on the Statement of Activities. The following is a schedule of the future minimum lease payments under these capital leases at June 30, 2015.

Year ending June 30,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 526,948	\$ 49,560	\$ 576,508
2017	461,145	35,081	496,226
2018	473,860	22,365	496,225
2019	384,764	10,581	395,345
	<u>\$ 1,846,717</u>	<u>\$ 117,587</u>	<u>\$ 1,964,304</u>

Subsequent to June 30, 2015, the District approved three additional Capital Leases, totaling \$936,546, for Chrome Books, Buses, Textbooks and other Computer Equipment. The following is a schedule of the future minimum lease payments under all capital leases at June 30, 2015, including the three new lease agreements issued after June 30, 2015.

Year ending June 30,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 704,689	\$ 64,866	\$ 769,555
2017	639,274	50,000	689,274
2018	655,249	34,026	689,275
2019	500,674	18,921	519,595
2020	118,330	5,920	124,250
2021	81,670	3,449	85,119
2022	83,377	1,742	85,119
	<u>\$ 2,783,263</u>	<u>\$ 178,924</u>	<u>\$ 2,962,187</u>

**D. Bonds Authorized but Not Issued** - As of June 30, 2015 the District had no authorized but not issued bonds.

**NOTE 7. MAINTENANCE RESERVE**

A Maintenance Reserve may be established by New Jersey school districts for the accumulation of funds for use to fund certain expenditures in the operating budget. There was no balance in the maintenance reserve at June 30, 2015.

**PITTSGROVE TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015**

**NOTE 8. PENSION PLANS**

**Description of Plans** - All required employees of the District are covered by either the Public Employees' Retirement System or the Teachers' Pension and Annuity Fund which have been established by state statute and administered by the New Jersey Division of Pension and Benefits. According to the State of New Jersey Administrative Code, all obligations of both Systems will be assumed by the State of New Jersey should the Systems terminate. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the Public Employees Retirement System and the Teachers' Pension and Annuity Fund. These reports may be obtained from the Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625.

**Teachers' Pension and Annuity Fund (TPAF)** - The Teachers' Pension and Annuity Fund was established as of January 1, 1955, under the provisions of N.J.S.A. 18A:66 to provide retirement benefits, death, disability and medical benefits to certain qualified members. The Teachers' Pension and Annuity Fund is considered a cost-sharing multiple-employer plan with a special funding situation, as under current statute, all employer contributions are made by the State of New Jersey on behalf of the District and the system's other related non-contributing employers. Membership is mandatory for substantially all teachers or members of the professional staff certified by the State Board of Examiners, and employees of the Department of Education who have titles that are unclassified, professional and certified.

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Teachers Pension and Annuity Fund (TPAF) and additions to/deductions from the TPAF's fiduciary net position have been determined on the same basis as they are reported by the TPAF. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at a fair value.

For the year ended June 30, 2015, the District recognized pension expense of \$3,187,798 and revenue of \$3,187,798 for support provided by the State. At June 30, 2015, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

**Public Employees' Retirement System** - The Public Employees' Retirement System (PERS) is a cost-sharing multiple-employer defined benefit plan which was established as of January 1, 1955. The PERS provides retirement, death, disability and medical benefits to certain qualified members. Vesting and benefit provisions are established by N.J.S.A. 43:15A and 43:3B.

The contribution requirements of plan members are determined by State statute. In accordance with Chapter 62, P.L. 1994, plan members enrolled in the Public Employees' Retirement System were required to contribute 5% of their annual covered salary. Effective July 1, 2012, however, in accordance with Chapter 78, P.L. 2012, plan members are required to contribute 5.5% of their annual covered salary. For employees enrolled in the retirement system prior to July 1, 2007, the increase is effective with the payroll period that begins immediately after July 1, 2007.

The State Treasurer has the right under the current law to make temporary reductions in member rates based on the existence of surplus pension assets in the retirement system; however, statute also requires the return to the normal rate when such surplus pension assets no longer exist. The School District is billed annually for its normal contribution plus any accrued liability.

PITTSGROVE TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015

**NOTE 8. PENSION PLANS (CONT'D)**

**Public Employees' Retirement System (CONT'D)**

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the PERS and additions to/deductions from PERS fiduciary net position have been determined on the same basis as they are reported by PERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

For the year ended June 30, 2015, the District recognized pension expense of \$365,622. In addition, a prior year adjustment in the amount of \$8,044,485 was reflected in the Statement of Activities, in order to record the estimated Net Pension Liability as of July 1, 2014.

At June 30, 2015, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$	\$
Changes of assumptions	253,257	
Net difference between projected and actual earnings on pension plan investments		479,967
Changes in proportion and differences between District contributions and proportionate share of contributions		129,528
District contributions subsequent to the measurement date	354,622	
Total	\$ 607,879	\$ 609,495

\$354,622 reported as deferred outflows of resources related to pensions resulting from school district contributions subsequent to the measurement date (i.e. for the school year ending June 30, 2015, the plan measurement date is June 30, 2014) will be recognized as a reduction of the net pension liability in the year ended June 30, 2015. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

**Additional Information**

Collective balances at June 30, 2013 and 2014 are as follows:

	6/30/2014	6/30/2013
Collective deferred outflows of resources	\$ 1,032,618,058	\$
Collective deferred inflows of resources	1,726,631,532	
Collective net pension liability	14,665,837,859	15,190,834,283
District's Proportion	0.0430165216	0.0438188388

PITTSGROVE TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015

**NOTE 8. PENSION PLANS (CONT'D)**

**Public Employees' Retirement System (CONT'D)**

**Vesting and Benefit Provisions** - The vesting and benefit provisions for PERS are set by N.J.S.A. 43:15A and 43.3B, and N.J.S.A. 18A:6C for TPAF. All benefits vest after eight to ten years of service, except for medical benefits that vest after 25 years of service. Retirement benefits for age and service are available at age 60 and are generally determined to be 1/60 of the final average salary for each year of service credit, as defined. Final average salary equals the average salary for the final three years of service prior to retirement (or highest three years' compensation if other than the final three years). Members may seek early retirement after achieving 25 years of service credit or they may elect deferred retirement after achieving eight to ten years of service in which case benefits would begin the first day of the month after the member attains normal retirement age. The TPAF and PERS provides for specified medical benefits for members who retire after achieving 25 years of qualified service, as defined, or under the disability provisions of the System. Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

**Significant Legislation**

P.L. 2011, c. 78, effective October 2011, set new employee contribution requirements towards the cost of employer provided health benefit coverage. Employees are required to contribute a certain percentage of the cost of coverage. The rate of contribution is determined based on the employee's annual salary and the selected level of coverage. The increased employee contributions will be phased in over a 4-year period for those employed prior to this legislation's effective date with a minimum contribution required to be at least 1.5 percent of salary.

**Contribution Requirements** - The contribution policy is set by N.J.S.A. 43:15A, Chapter 62, P.L. of 1994, Chapter 115, P.L. of 1997 and N.J.S.A. 18:66, and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. TPAF and PERS provide for employee contributions of 5.5% of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in both TPAF and PERS. The actuarially determined contribution includes funding for cost-of-living adjustments, noncontributory death benefits, and post-retirement medical premiums. Under current statute, the District is a non-contributing employer of the TPAF.

**Three-Year Trend Information for PERS**

<b><u>Year Funding</u></b>	<b><u>Annual Pension Cost (APC)</u></b>	<b><u>Percentage of APC Contributed</u></b>	<b><u>Net Pension Obligation</u></b>
6/30/15	\$ 356,622	100%	\$ 356,622
6/30/14	330,166	100	330,166
6/30/13	395,195	100	395,195

PITTSGROVE TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015

**NOTE 8. PENSION PLANS (CONT'D)**

**Three-Year Trend Information for TPAF (Paid on-behalf of the District)**

<b><u>Year Funding</u></b>	<b><u>Annual Pension Cost (APC)</u></b>	<b><u>Percentage of APC Contributed</u></b>	<b><u>Net Pension Obligation</u></b>
6/30/15	\$ 1,578,069	100%	\$ 0
6/30/14	1,237,757	100	0
6/30/13	1,558,105	100	0

During the fiscal year ended June 30, 2015 the State of New Jersey contributed \$609,882 to the TPAF for pension contributions and post-retirement benefits of \$968,187 on behalf of the District. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the District \$828,621 during the year ended June 30, 2015 for the employer's share of social security contributions for TPAF members, as calculated on their base salaries. This amount has been included in the basic financial statements, and the combining and individual fund and account group statements and schedules as a revenue and expenditure in accordance with GASB 27.

**NOTE 9. DEFERRED COMPENSATION**

The Board offers its employees a choice of various deferred compensation plans created in accordance with Internal Revenue Code Section 403(b). The plans, which are administered by the entities listed below, permits participants to defer a portion of their salary until future years. Amounts deferred under the plans are not available to employees until termination, retirement, death or unforeseeable emergency. The plan administrators during the year ended June 30, 2015 were Copeland, Lincoln, and ING.

**NOTE 10. POST-RETIREMENT BENEFITS**

Chapter 384 of Public Laws 1987 and Chapter 6 of Public Laws 1990 required TPAF and PERS, respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or a disability retirement. P.L. 2007, c.103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired State employees and retired educational employees. As of June 30, 2014, there were 103,432 retirees receiving post-retirement medical benefits and the State contributed \$1.04 billion on their behalf. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994 c 62. Funding of post retirement medical benefits changed from a pre-funding basis to a pay-as-you-go basis beginning in Fiscal Year 1994.

The State is also responsible for the cost attributable to P.L. 1992 c. 126, which provides employer paid health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. The state paid \$165.8 million toward Chapter 126 benefits for 18,122 eligible retired members in Fiscal Year 2014.

**PITTSGROVE TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015**

**NOTE 11. COMPENSATED ABSENCES**

The School District accounts for compensated absences (e.g., unused vacation, sick leave) as directed by Governmental Accounting Standards Board Statement No. 16 (GASB 16), "Accounting for Compensated Absences". A liability for compensated absences attributable to services already rendered and not contingent on a specific event that is outside the control of the employer and employee is accrued as employees earn the rights to the benefits.

School District employees who are employed for ten months are entitled to ten paid sick leave days per fiscal school year. School District employees who are employed for twelve month are entitled to twelve paid sick leave days per fiscal school year. Unused sick leave may be accumulated and carried forward to the subsequent years. School district employees are entitled to two personal days which may be carried forward to subsequent years. Vacation days not used during the year may be accumulated and carried forward by certain employees. Benefits paid in any future year will be calculated according to formulas outlined in the school districts' agreements with the various employee unions and included in the current year's budget.

The liability for vested compensated absences is recorded within those funds as the benefits accrue to employees. As of June 30, 2015, the estimated liability for compensated absences in the Governmental Activities was \$800,016 and \$662 for Business – Type Activities.

**NOTE 12. TAX ANTICIPATION LOAN**

As a result of the delay in the last two state aid revenue receipts, two loans was taken out in the amount of \$1,306,406 and paid off in July, 2015, with interest expense of 3.5% reimbursed from the state.

**NOTE 13. INTERFUND RECEIVABLES AND PAYABLES**

The following interfund balances remained on the balance sheet at June 30, 2015:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 751,642	\$ 206,789
Special Revenue Fund		196,737
Capital Projects Fund		540,226
Enterprise Fund	206,789	
Internal Service Funds		13,701
Student Activity Fund	4,500	
Scholarship Fund		4,500
Payroll Fund		978
Total	<u>\$ 962,931</u>	<u>\$ 962,931</u>

**PITTSGROVE TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015**

**NOTE 14. RISK MANAGEMENT**

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The district has chosen to purchase insurance to transfer risk to outside parties.

**Property and Liability Insurance** - The District maintains commercial insurance coverage for property, liability, student accident and surety bonds. A complete schedule of insurance coverage can be found in the Statistical Section of this Comprehensive Annual Financial Report.

**New Jersey Unemployment Compensation Insurance** - The District has elected to fund its New Jersey Unemployment Compensation Insurance under the "Percentage Method". Under this plan, the District is required to pay the New Jersey Unemployment Trust Fund based on a percentage of wages up to the statutory limit. The amount computed is payable on a quarterly basis.

The following is a summary of District contributions, employee contributions, payments to the State and the ending balance of the District's expendable trust fund for the current and prior years.

<u>Fiscal Year</u>	<u>District Contributions</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2014-2015	\$ 59,585	\$ 41,154	\$ 100,739	\$ 0
2013-2014	50,600	51,859	102,459	0
2012-2013	40,945	39,478	80,423	0

**NOTE 15. LITIGATION**

The District is from time to time involved in claims and lawsuits incidental to its operations. Per confirmation by the District's legal counsel, there are no pending litigations, claims, assessments of contingent liability against the District.

**NOTE 16. RECEIVABLES**

Receivables at June 30, 2015 consisted of accounts (fees) and intergovernmental grants. All receivables are considered collectible in full due to the stable condition of State programs and the current fiscal year guarantee of federal funds.

Receivables as of year-end for the School District's individual major and fiduciary funds, in the aggregate, are as follows:

<u>Receivables:</u>	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Proprietary Funds</u>	<u>Internal Service Fund</u>
Intergovernmental	\$ 279,090	\$ 284,579	\$ 569,280	\$ 36,000	\$ 357,737
Other	37,390				
<b>Totals</b>	<b>\$ 316,480</b>	<b>\$ 284,579</b>	<b>\$ 569,280</b>	<b>\$ 36,000</b>	<b>\$ 357,737</b>

**PITTSGROVE TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015**

**NOTE 17. FUND BALANCE APPROPRIATED**

**General Fund** - Of the (\$447,137) deficit in General Fund balance at June 30, 2015, \$67,770 is assigned for encumbrances; \$0 is restricted as excess surplus in accordance with *N.J.S.A.* 118A:7F-7; \$2,731 has been restricted in the Capital Reserve Account; \$338,000 has been assigned, appropriated and included as anticipated revenue for the year ending June 30, 2016 and the net result is a deficit of (\$855,638) in unassigned and unrestricted fund balance.

**NOTE 18. CALCULATION OF EXCESS SURPLUS**

In accordance with *N.J.S.A.* 18A:7F-7, as amended by P.L. 2005, c.73 (S1701), the designation for Reserved Fund Balance - Excess Surplus is a required calculation pursuant to the N J School Funding Reform Act of 2008 (SFRA). New Jersey school districts are required to reserve General Fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. There is no excess surplus to be appropriated in the 2015-16 or 2016-17 budgets.

**NOTE 19. DEFICIT FUND BALANCES**

The District has a deficit fund balance of (\$447,137) in the General Fund and (6,930) in the Special Revenue Fund as of June 30, 2015 as reported in the fund statements (modified accrual basis). P.L. 2003, c.97 provides that in the event a state school aid payment is not made until the following school year, districts must record the last state aid payment as revenue, for budgeted purposes only, in the current budget year. The bill provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry i.e. if one government recognizes as asset, the other government recognizes a liability. Since the state is recording the last state aid payment in the subsequent fiscal year, the school district cannot recognize the last state aid payment on the GAAP financial statements until the year the state records the payable.

Due to the timing difference of recording the last state aid payment, the Special Revenue Fund does not alone indicate that the district is facing financial difficulties. Pursuant to *N.J.S.A.* 18A:22-44.2 any negative unreserved, undesignated general fund balance that is reported as a direct result from a delay in the payment of state aid until the following fiscal year, is not considered in violation of New Jersey statute and regulation nor in need of corrective action. The District deficit in the GAAP General Fund statements of \$441,804 is less than the last two state payments. The District deficit in the GAAP Special Revenue fund statement of \$6,930 is equal to the last two state aid payments.

**NOTE 20. OPERATING LEASES**

The District has operating lease commitments at June 30, 2015 for the Elmer School Building with contents and copiers. The minimum lease payments are as follows:

2016    \$    11,484

PITTSGROVE TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015

**NOTE 21. RETRO ACTIVE RESTATEMENT OF NET POSITION**

**Restatement of Prior Period**

The District adopted GASB No. 68 - Accounting and Financial Reporting for Pensions - An amendment of GASB No. 27 during the 2015 fiscal year as required by the pronouncement. The pronouncement requires the district to record its proportional share of the State of New Jersey's net pension liability on the face of its financial statements as of June 30, 2015 and to record related pension expense in accordance with the pronouncement. In order to correctly reflect pension expense in accordance with GASB No. 68, the beginning Net Position of the district was adjusted to reflect the beginning balance of the net pension liability. Since the adjustments to Net Position relate to the beginning net pension liability measured as of June 30, 2013. Also, in accordance with GASB No. 71- Pension Transition for Contributions Made Subsequent to the Measurement Date, the district restated to its Net Position for pension contributions made after the beginning net pension liability measurement date of June 30, 2013 (deferred outflows).

Beginning net position as previously reported at June 30, 2014	\$5,427,497
Prior Period Adjustment - Implementation GASB 68:	
Net Pension Liability (measurement date)	(8,374,651)
Net Deferred Outflows	<u>330,166</u>
Net Position as restated, July 1, 2014	<u><u>\$(2,616,988)</u></u>

End of Notes to Financial Statements

**REQUIRED SUPPLEMENTARY INFORMATION – PART II**

**BUDGETARY COMPARISON SCHEDULES**

**PITTSBORO TOWNSHIP SCHOOL DISTRICT**  
**BUDGETARY COMPARISON SCHEDULE**  
**GENERAL FUND**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual Favorable (Unfavorable)</u>
<b>REVENUES:</b>					
Local Sources:					
Local Tax Levy	\$ 9,296,979	\$	\$ 9,296,979	\$ 9,296,979	\$
Tuition - Other LEA's	3,134,727		3,134,727	3,126,181	(8,546)
Tuition - ELLI				24,465	24,465
Interest Earned on Deposits				6,601	6,601
Interest Earned on Capital Reserve Funds	10		10	10	
Miscellaneous	177,439		177,439	211,662	34,223
<b>Total Local Sources</b>	<u>12,609,155</u>		<u>12,609,155</u>	<u>12,665,898</u>	<u>56,743</u>
State Sources:					
Equalization Aid	10,430,292		10,430,292	10,430,292	
Categorical Transportation Aid	729,154		729,154	729,154	
Special Education Categorical Aid	837,197		837,197	837,197	
Categorical Security Aid	228,815		228,815	228,815	
Adjustment Aid	12,519		12,519	12,519	
School Choice Aid	1,227,475		1,227,475	1,210,887	(16,588)
Other State Aids:					
Extraordinary Aid				80,428	80,428
PARCC Readiness Aid	14,560		14,560	14,560	
Per Pupil Growth Aid	14,560		14,560	14,560	
Non-Public Transportation Aid				12,701	12,701
TPAF Pension (On-Behalf - Non-Budgeted)				609,882	609,882
TPAF Post Retirement-Medical (On-Behalf - Non-Budgeted)				968,187	968,187
TPAF Social Security (Reimbursed - Non-Budgeted)				828,621	828,621
<b>Total State Sources</b>	<u>13,494,572</u>		<u>13,494,572</u>	<u>15,977,803</u>	<u>2,483,231</u>
Federal Sources:					
Medicaid Program - SEMI	27,184		27,184	27,515	331
ARRA - SEMI				5,717	5,717
<b>Total Federal Sources</b>	<u>27,184</u>		<u>27,184</u>	<u>33,232</u>	<u>6,048</u>
<b>Total Revenues</b>	<u>\$ 26,130,911</u>	<u>\$</u>	<u>\$ 26,130,911</u>	<u>\$ 28,676,933</u>	<u>\$ 2,546,022</u>
<b>EXPENDITURES:</b>					
<b>Current Expense:</b>					
<b>Regular Programs - Instruction</b>					
Kindergarten - Salaries of Teachers	\$ 407,036	\$ (20,217)	\$ 386,819	\$ 386,819	\$
Grades 1-5 - Salaries of Teachers	1,889,613	(61,421)	1,828,192	1,828,188	4
Grades 6-8 - Salaries of Teachers	1,513,072	11,793	1,524,865	1,524,865	
Grades 9-12 - Salaries of Teachers	2,469,216	(137,639)	2,331,577	2,331,575	2
<b>Regular Programs - Home Instruction:</b>					
Salaries of Teachers	11,828	4,350	16,178	15,545	633
Purchased Professional-Educational Services	51,370	(6,213)	45,157	45,097	60
Other Purchased Services (400-500 series)	3,000	(1,810)	1,190	578	612
Purchased Professional-Educational Services	186,954	79,195	266,149	265,784	365
Purchased Technical Services	57,482	(38,497)	18,985	15,326	3,659
Other Purchased Services (400-500 series)	327,022	17,300	344,322	343,198	1,124
General Supplies	309,897	(41,048)	268,849	265,573	3,276
Textbooks	26,900	1,710	28,610	28,547	63
Other Objects	7,249	(4,529)	2,720	1,493	1,227
<b>TOTAL REGULAR PROGRAMS - INSTRUCTION</b>	<u>7,260,639</u>	<u>(197,026)</u>	<u>7,063,613</u>	<u>7,052,588</u>	<u>11,025</u>
<b>SPECIAL EDUCATION - INSTRUCTION</b>					
<b>Learning and/or Language Disabilities:</b>					
General Supplies					
<b>Total Learning and/or Language Disabilities</b>					

**PITTSBORO TOWNSHIP SCHOOL DISTRICT**  
**BUDGETARY COMPARISON SCHEDULE**  
**GENERAL FUND**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual Favorable (Unfavorable)</u>
<b>Behavioral Disabilities:</b>					
Salaries of Teachers	\$ 182,140	\$ (7,350)	\$ 174,790	\$ 174,788	\$ 2
Purchased Professional-Educational Services	48,122	(22,600)	25,522	25,512	10
General Supplies	5,500	(4,550)	950	215	735
Other Objects	2,750	(710)	2,040	795	1,245
<b>Total Behavioral Disabilities</b>	<b>238,512</b>	<b>(35,210)</b>	<b>203,302</b>	<b>201,310</b>	<b>1,992</b>
<b>Multiple Disabilities:</b>					
Salaries of Teachers	316,082	(17,102)	298,980	298,830	150
Other Salaries for Instruction	7,800	(732)	7,068	7,068	
Purchased Professional Educational Services	107,652	(1,566)	106,086	106,042	44
General Supplies	5,000	(65)	4,935	3,995	940
Other Objects		1,450	1,450	1,441	9
<b>Total Multiple Disabilities</b>	<b>436,534</b>	<b>(18,015)</b>	<b>418,519</b>	<b>417,376</b>	<b>1,143</b>
<b>Resource Room/Resource Center:</b>					
Salaries of Teachers	1,067,977	187,256	1,255,233	1,254,850	383
Other Salaries for Instructions		3,916	3,916	3,916	
Purchased Professional-Educational Services	316,722	17,247	333,969	333,862	107
General Supplies	7,000	830	7,830	7,610	220
Textbooks		360	360	267	93
Other Objects	5,000	(4,940)	60	56	4
<b>Total Resource Room/Resource Center</b>	<b>1,396,699</b>	<b>204,669</b>	<b>1,601,368</b>	<b>1,600,561</b>	<b>807</b>
<b>Autism</b>					
Salaries of Teachers	67,865	215	68,080	68,073	7
Other Salaries for Instruction	1,700	(180)	1,520	1,520	
Purchased Professional Educational Services	23,721	(22,531)	1,190	1,114	76
General Supplies	1,000	(550)	450	409	41
Other Objects	2,500	(2,500)			
<b>Total Autism</b>	<b>96,786</b>	<b>(25,546)</b>	<b>71,240</b>	<b>71,116</b>	<b>124</b>
<b>Preschool Disabilities - Part-Time:</b>					
Salaries of Teachers	83,769	(320)	83,449	83,376	73
Other Salaries for Instruction	4,465	(2,185)	2,280	2,280	
Purchased Professional-Educational Services	26,412	(12,912)	13,500	13,463	37
General Supplies	1,125	1,100	2,225	2,190	35
Other Objects	675	(200)	475		475
<b>Total Preschool Disabilities - Part-Time</b>	<b>116,446</b>	<b>(14,517)</b>	<b>101,929</b>	<b>101,309</b>	<b>620</b>
<b>TOTAL SPECIAL EDUCATION - INSTRUCTION</b>	<b>2,284,977</b>	<b>111,381</b>	<b>2,396,358</b>	<b>2,391,672</b>	<b>4,686</b>
<b>Basic Skills/Remedial - Instruction</b>					
Salaries of Teachers	373,117	(32,285)	340,832	340,295	537
Other Salaries for Instruction	23,495	1,044	24,539	24,535	4
<b>Total Basic Skills/Remedial - Instruction</b>	<b>396,612</b>	<b>(31,241)</b>	<b>365,371</b>	<b>364,830</b>	<b>541</b>
<b>School-Spon. Co curricular Actvts. - Inst.</b>					
Salaries	49,905	(1,500)	48,405	43,084	5,321
Purchased Services (300-500 series)	1,300	210	1,510	708	802
Supplies and Materials	3,050	(210)	2,840	1,600	1,240
<b>Total School-Spon. Co-curricular Actvts. - Inst.</b>	<b>54,255</b>	<b>(1,500)</b>	<b>52,755</b>	<b>45,392</b>	<b>7,363</b>
<b>School-Spon. Co-curricular Athletics - Inst.</b>					
Salaries	218,334	23,310	241,644	241,526	118
Purchased Services (300-500 series)	89,636	(2,050)	87,586	86,277	1,309
Supplies and Materials	41,810	7,228	49,038	48,450	588
<b>Total School-Spon. Co-curricular Athletics - Inst.</b>	<b>349,780</b>	<b>28,488</b>	<b>378,268</b>	<b>376,253</b>	<b>2,015</b>
<b>TOTAL INSTRUCTION</b>	<b>10,346,263</b>	<b>(89,898)</b>	<b>10,256,365</b>	<b>10,230,735</b>	<b>25,630</b>
<b>Undistributed Expenditures - Instruction:</b>					
Tuition to Other LEAs Within the State - Regular	39,000	17,744	56,744	52,415	4,329
Tuition to Other LEAs Within the State - Special	20,500	(20,408)	92		92
Tuition - County Voc School Districts - Regular	107,250		107,250	107,250	
Tuition to CSSD & Regional Day Schools	255,040	137,435	392,475	288,625	103,850
Tuition to Private Schools for the Disabled - Within State	200,563	192,490	393,053	385,175	7,878
Tuition - State Facilities	64,612		64,612	64,612	
<b>Total Undistributed Expenditures - Instruction:</b>	<b>686,965</b>	<b>327,261</b>	<b>1,014,226</b>	<b>898,077</b>	<b>116,149</b>

**PITTSBORO TOWNSHIP SCHOOL DISTRICT**  
**BUDGETARY COMPARISON SCHEDULE**  
**GENERAL FUND**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<b>Original Budget</b>	<b>Budget Transfers</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Final to Actual Favorable (Unfavorable)</b>
<b>Undistributed Expend. - Attend. &amp; Social Work</b>					
Salaries	\$ 30,045	\$ 1,711	\$ 31,756	\$ 31,733	\$ 23
Other Purchased Services		250	250	235	15
<b>Total Undistributed Expend. - Attend. &amp; Social Work</b>	<b>30,045</b>	<b>1,961</b>	<b>32,006</b>	<b>31,968</b>	<b>38</b>
<b>Undist. Expend. - Health Services</b>					
Salaries	326,341	14,941	341,282	341,278	4
Purchased Professional and Technical Services	12,700	(65)	12,635	12,577	58
Other Purchased Services (400-500 series)	500	(245)	255	210	45
Supplies and Materials	6,100	10,633	16,733	16,642	91
<b>Total Undistributed Expenditures - Health Services</b>	<b>345,641</b>	<b>25,264</b>	<b>370,905</b>	<b>370,707</b>	<b>198</b>
<b>Undist. Expend. - Other Supp. Serv. Students - Rel. Serv.</b>					
Salaries	231,794	(1,845)	229,949	229,941	8
Purchased Professional - Educational Services	143,251	(43,844)	99,407	97,578	1,829
Supplies and Materials	1,500	139	1,639	1,633	6
Other Objects	1,000	(711)	289		289
<b>Total Undist. Exp. - Other Supp. Serv. Students - Rel. Serv.</b>	<b>377,545</b>	<b>(46,261)</b>	<b>331,284</b>	<b>329,152</b>	<b>2,132</b>
<b>Undist. Expend. - Other Supp. Serv. Stud - Extraord. Serv.</b>					
Purchased Professional - Educational Services	282,816	143,781	426,597	426,595	2
<b>Total Undist. Exp. - Other Sup. Serv. Stud - Extraord. Serv.</b>	<b>282,816</b>	<b>143,781</b>	<b>426,597</b>	<b>426,595</b>	<b>2</b>
<b>Undistributed Expend. - Guidance</b>					
Salaries of Other Professional Staff	532,262	(44,044)	488,218	488,168	50
Salaries of Secretarial and Clerical Assistants	127,561	1,014	128,575	128,562	13
Purchased Professional- Educational Services	500	(500)			
Other Purchased Prof. and Tech. Services	18,345	(5,560)	12,785	12,593	192
Other purchased Services (400-500 series)	13,600	(3,210)	10,390	10,176	214
Supplies and Materials	9,080	920	10,000	9,538	462
Other Objects	750	(150)	600	280	320
<b>Total Undist. Expend.- Guidance</b>	<b>702,098</b>	<b>(51,530)</b>	<b>650,568</b>	<b>649,317</b>	<b>1,251</b>
<b>Undistributed Expend. - Child Study Teams</b>					
Salaries of Other Professional Staff	372,032	25,656	397,688	397,683	5
Salaries of Secretarial and Clerical Assistants	93,093	17,310	110,403	110,338	65
Purchased Professional- Educational Services	3,825	6,519	10,344	10,340	4
Other Purchased Prof. and Tech. Services	25,199	(7,530)	17,669	17,668	1
Misc Pur Serv (400-500 series)	38,200	(17,623)	20,577	20,535	42
Supplies and Materials	21,260	3,958	25,218	25,208	10
Other Objects	1,800	2,481	4,281	4,281	
<b>Total Undist. Expend.- Child Study Teams</b>	<b>555,409</b>	<b>30,771</b>	<b>586,180</b>	<b>586,053</b>	<b>127</b>
<b>Undist. Expend. - Improvement of Inst. Serv.</b>					
Salaries of Supervisor of Instruction	101,685		101,685	101,684	1
Salaries of Other Professional Staff	244,737	10,187	254,924	254,875	49
Salaries of Secretarial and Clerical Assist.	70,029	(600)	69,429	69,265	164
Other Salaries	28,500	3,786	32,286	32,193	93
Other Purch Services (400-500)	25,675	10,920	36,595	36,055	540
Supplies and Materials	6,800	(3,340)	3,460	2,670	790
Other Objects	8,000	(2,250)	5,750	5,140	610
<b>Total Undist. Expend. - Improvement of Inst. Serv.</b>	<b>485,426</b>	<b>18,703</b>	<b>504,129</b>	<b>501,882</b>	<b>2,247</b>
<b>Undist. Expend. - Edu. Media Serv./Sch. Library</b>					
Salaries	218,415	1,835	220,250	220,144	106
Purchased Professional and Technical Services	14,967	(14,771)	196		196
Other Purchased Services (400-500 series)	22,885	(2,200)	20,685	20,377	308
Supplies and Materials	52,235	42,845	95,080	94,768	312
<b>Total Undist. Expend. - Edu. Media Serv./Sch. Library</b>	<b>308,502</b>	<b>27,709</b>	<b>336,211</b>	<b>335,289</b>	<b>922</b>
<b>Undist. Expend. - Instructional Staff Training Serv.</b>					
Purchased Professional - Educational Services	10,500	(8,155)	2,345	2,345	
Other Purchased Services (400-500 series)	2,000		2,000	713	1,287
Supplies and Materials	11,000	(95)	10,905	10,856	49
Other Objects	1,000	(750)	250		250
<b>Total Undist. Expend. - Instructional Staff Training Serv.</b>	<b>24,500</b>	<b>(9,000)</b>	<b>15,500</b>	<b>13,914</b>	<b>1,586</b>

**PITTSBURGH TOWNSHIP SCHOOL DISTRICT**  
**BUDGETARY COMPARISON SCHEDULE - GENERAL FUND**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
<b>Undist. Expend. - Supp. Serv. - General Admin.</b>					
Salaries	\$ 277,611	\$ 5,205	\$ 282,816	\$ 282,814	\$ 2
Legal Services	40,000	53,000	93,000	90,441	2,559
Audit Fees	26,500	(155)	26,345	26,326	19
Architectural/Engineering Services	5,000	(700)	4,300		4,300
Other Purchased Professional Services	15,000	4,500	19,500	19,481	19
Communications/Telephone	52,500	28,800	81,300	81,092	208
BOE Other Purchased Services	4,290	1,150	5,440	5,368	72
Other Purchased Services (400-500 series)	135,986	(8,902)	127,084	124,833	2,251
General Supplies	9,910	5,510	15,420	15,389	31
BOE In-House Training/Meeting Supplies	4,000	(2,610)	1,390	1,139	251
Miscellaneous Expenditures	3,390	(51)	3,339	2,838	501
BOE Membership Dues and Fees	12,100		12,100	11,281	819
<b>Total Undist. Expend. - Supp. Serv. - General Admin.</b>	<b>586,287</b>	<b>85,747</b>	<b>672,034</b>	<b>661,002</b>	<b>11,032</b>
<b>Undist. Expend. - Support Serv. - School Admin.</b>					
Salaries of Principals/Assistant Principals	716,064	40,703	756,767	756,207	560
Salaries of Secretarial and Clerical Assistants	316,581	(10,192)	306,389	304,512	1,877
Other Purchased Services (400-500 series)	19,275	(11,300)	7,975	7,123	852
Supplies and Materials	14,989	(7,056)	7,933	7,485	448
Other Objects	13,750		13,750	11,908	1,842
<b>Total Undist. Expend. - Support Serv. - School Admin.</b>	<b>1,080,659</b>	<b>12,155</b>	<b>1,092,814</b>	<b>1,087,235</b>	<b>5,579</b>
<b>Undist. Expend. - Central Services</b>					
Salaries	304,334	(2,500)	301,834	301,585	249
Purchased Professional Services	2,230	950	3,180	1,600	1,580
Purchased Technical Services	1,000	(710)	290		290
Miscellaneous Purchased Services (400-500 series)	21,300	251	21,551	21,351	200
Supplies and Materials	15,500	5,274	20,774	20,329	445
Interest on Current Loans	40,000	(22,747)	17,253	16,759	494
Interest on Lease Purchase Agreements	33,634		33,634	33,632	2
Other Objects	2,550	1,740	4,290	4,289	1
<b>Total Undist. Expend. - Central Services</b>	<b>420,548</b>	<b>(17,742)</b>	<b>402,806</b>	<b>399,545</b>	<b>3,261</b>
<b>Undist. Expend. - Admin. Info. Technology</b>					
Salaries	225,275	11,051	236,326	236,273	53
Purchased Technical Services	42,748	(740)	42,008	34,935	7,073
Other Purchased Services (400-500 series)	23,000	(8,421)	14,579	13,833	746
Supplies and Materials	18,000	(219)	17,781	14,610	3,171
<b>Total Undist. Expend. - Admin. Info. Technology</b>	<b>309,023</b>	<b>1,671</b>	<b>310,694</b>	<b>299,651</b>	<b>11,043</b>
<b>Undist. Expend. - Req. Maint. for School Facilities</b>					
Cleaning, Repair, and Maintenance Services	129,799	(51,699)	78,100	77,090	1,010
General Supplies	72,845	(43,205)	29,640	28,742	898
<b>Total Undist. Expend. - Req. Maint. for School Facilities</b>	<b>202,644</b>	<b>(94,904)</b>	<b>107,740</b>	<b>105,832</b>	<b>1,908</b>
<b>Undist. Expend. - Custodial Services</b>					
Salaries	773,396	(284,410)	488,986	487,513	1,473
Purchased Professional and Technical Services	99,604	2,200	101,804	96,794	5,010
Cleaning, Repair and Maintenance Services	474,544	207,411	681,955	671,449	10,506
Rental of Land, Building & Other than Lease Purchases	102,500		102,500	102,500	
Other Purchased Property Services	76,032	(7,200)	68,832	64,900	3,932
Insurance	79,832	4,920	84,752	84,113	639
Miscellaneous Purchased Services	6,600	(1,200)	5,400	1,091	4,309
General Supplies	131,145	3,191	134,336	128,446	5,890
Energy (Natural Gas)	128,933	25,775	154,708	149,304	5,404
Energy (Electricity)	559,137	(50,775)	508,362	505,823	2,539
Other Objects		100	100	3	97
<b>Total Undist. Expend. - Custodial Services</b>	<b>2,431,723</b>	<b>(99,988)</b>	<b>2,331,735</b>	<b>2,291,936</b>	<b>39,799</b>

**PITTSBORO TOWNSHIP SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual Favorable (Unfavorable)</u>
<b>Undist. Expend. - Care and Upkeep of Grounds</b>					
Salaries	\$	\$ 1,440	\$ 1,440	\$	\$ 1,440
Cleaning, Repair and Maintenance Services	137,196	(44,525)	92,671	90,334	2,337
General Supplies	29,350		29,350	22,162	7,188
<b>Total Undist. Expend. - Care and Upkeep of Grounds</b>	<u>166,546</u>	<u>(43,085)</u>	<u>123,461</u>	<u>112,496</u>	<u>10,965</u>
<b>Undist. Expend. - Security</b>					
Salaries	88,726	(23,100)	65,626	65,404	222
Purchased Professional and Technical Services	400		400		400
Cleaning, Repair and Maintenance Services	2,300	(1,400)	900	549	351
General Supplies	8,250		8,250		8,250
Other Objects	500		500	85	415
<b>Total Undist. Expend. - Security</b>	<u>100,176</u>	<u>(24,500)</u>	<u>75,676</u>	<u>66,038</u>	<u>9,638</u>
<b>Total Undist. Expend. - Oper. &amp; Maint. Of Plant</b>	<u>2,901,089</u>	<u>(262,477)</u>	<u>2,638,612</u>	<u>2,576,302</u>	<u>62,310</u>
<b>Undist. Expend. - Student Transportation Serv.</b>					
Sal. For Pup.Trans. (Bet. Home and School) - Regular	534,230	79,700	613,930	612,946	984
Sal. For Pup.Trans. (Bet. Home and School) - Special	235,036	(121,050)	113,986	106,853	7,133
Sal. For Pup. Trans. (Other than Bet. Home and School)	69,036	59,550	128,586	127,877	709
Management Fee - ESC & CTSA Transportation Programs	45	200	245	219	26
Other Purchased Professional and Technical Services	11,000	(8,950)	2,050	2,011	39
Cleaning, Repair and Maintenance Services	12,149	(4,500)	7,649	7,569	80
Contr Serv. - Aid in Lieu Payments - Nonpublic	61,880	(4,784)	57,096	56,870	226
Contr Serv. - Aid in Lieu Payments - Charter	2,652	884	3,536	2,652	884
Lease Purchase Payments - School Buses	172,292		172,292	172,291	1
Contr Serv (not Home/School) - Vendors	4,000	600	4,600	4,495	105
Contr Serv (Spl. Ed. Students) - Joint Agreements	26,250	(300)	25,950	25,876	74
Misc. Purchased Serv. - Transportation	80,142	(8,900)	71,242	71,161	81
General Supplies	3,938	500	4,438	4,198	240
Transportation Supplies	498,800	(148,359)	350,441	348,863	1,578
Miscellaneous Expenditures	5,585	(3,900)	1,685	1,637	48
<b>Total Undist. Expend. - Student Transportation Serv.</b>	<u>1,717,035</u>	<u>(159,309)</u>	<u>1,557,726</u>	<u>1,545,518</u>	<u>12,208</u>
<b>UNALLOCATED BENEFITS - Employee Benefits</b>					
Social Security Contributions	312,244	(45,000)	267,244	265,919	1,325
Other Retirement Contributions - PERS	364,869		364,869	363,377	1,492
Unemployment Compensation	53,403	4,100	57,503	57,421	82
Workmen's Compensation	190,363	15,723	206,086	206,085	1
Health Benefits	3,616,596	48,600	3,665,196	3,663,405	1,791
Tuition Reimbursement	20,000	(9,500)	10,500	10,460	40
Other Employee Benefits	236,776	61,727	298,503	298,427	76
<b>TOTAL UNALLOCATED BENEFITS</b>	<u>4,794,251</u>	<u>75,650</u>	<u>4,869,901</u>	<u>4,865,094</u>	<u>4,807</u>
On-behalf TPAF Pension Contributions (non-budgeted)				609,882	(609,882)
On-behalf TPAF Post Retirement Contrib (non-budgeted)				968,187	(968,187)
Reimbursed TPAF Social Security Cont. (non-budgeted)				828,621	(828,621)
<b>TOTAL ON-BEHALF CONTRIBUTIONS</b>				<u>2,406,690</u>	<u>(2,406,690)</u>
<b>TOTAL PERSONAL SERV. - EMPLOYEE BENEFITS</b>	<u>4,794,251</u>	<u>75,650</u>	<u>4,869,901</u>	<u>7,271,784</u>	<u>(2,401,883)</u>
<b>TOTAL UNDISTRIBUTED EXPENDITURES</b>	<u>15,607,839</u>	<u>204,354</u>	<u>15,812,193</u>	<u>17,983,991</u>	<u>(2,171,798)</u>
<b>TOTAL GENERAL CURRENT EXPENSE</b>	<u>25,954,102</u>	<u>114,456</u>	<u>26,068,558</u>	<u>28,214,726</u>	<u>(2,146,168)</u>
<b>CAPITAL OUTLAY</b>					
Interest Deposit to Capital Reserve	10		10		10
<b>Equipment</b>					
<b>Undistributed Expenditures:</b>					
Instruction	42,000	(35,585)	6,415	6,415	
Student Transportation School Buses Regular		2,323	2,323	2,323	
Special Schools (All Programs)		67,105	67,105	67,105	
<b>Total Equipment</b>	<u>42,000</u>	<u>33,843</u>	<u>75,843</u>	<u>75,843</u>	

**PITTSGROVE TOWNSHIP SCHOOL DISTRICT**  
**BUDGETARY COMPARISON SCHEDULE**  
**GENERAL FUND**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Original</u> <u>Budget</u>	<u>Budget</u> <u>Transfers</u>	<u>Final</u> <u>Budget</u>	<u>Actual</u>	<u>Variance</u> <u>Final to Actual</u> <u>Favorable</u> <u>(Unfavorable)</u>
<b>Facilities Acquisition and Construction Services</b>					
Lease Purchase Agreement - Principal	\$ 231,001	\$	\$ 231,001	\$ 231,001	\$
Assessment for Debt Service on SDA Funding	53,260		53,260	53,260	
<b>Total Facilities Acquisition and Construction Services</b>	<b>284,261</b>		<b>284,261</b>	<b>284,261</b>	
<b>Assets Acquired Under Capital Leases (non-budgeted)</b>					
<b>TOTAL CAPITAL OUTLAY</b>	<b>326,271</b>	<b>33,843</b>	<b>360,114</b>	<b>360,104</b>	<b>10</b>
<b>Other Special Schools-Summer School</b>					
Purchased Professional and Technical Services	23,060	5,529	28,589	28,560	29
General Supplies		1,521	1,521	1,518	3
<b>Total Other Special Schools-Instruction</b>	<b>23,060</b>	<b>7,050</b>	<b>30,110</b>	<b>30,078</b>	<b>32</b>
<b>Other Special Schools-Support Services</b>					
Personal Services-Employee Benefits					
<b>Total Other Special Schools-Support Services</b>					
<b>Total Other Special Schools</b>	<b>23,060</b>	<b>7,050</b>	<b>30,110</b>	<b>30,078</b>	<b>32</b>
<b>TOTAL EXPENDITURES</b>	<b>26,303,433</b>	<b>155,349</b>	<b>26,458,782</b>	<b>28,604,908</b>	<b>(2,146,126)</b>
<b>Excess (Deficiency) of Revenues</b>					
<b>Over (Under) Expenditures</b>	<b>(172,522)</b>	<b>(155,349)</b>	<b>(327,871)</b>	<b>72,025</b>	<b>399,896</b>
<b>Other Financing Sources:</b>					
<b>Operating Transfer (Out) and In:</b>					
Transfer from Capital Projects Fund				110	110
Transfer of Funds to Charter School	(27,478)		(27,478)	(27,478)	
<b>Total Other Financing Sources:</b>	<b>(27,478)</b>		<b>(27,478)</b>	<b>(27,368)</b>	<b>110</b>
<b>Excess (Deficiency) of Revenues and Other Financing</b>					
<b>Sources Over (Under) Expenditures and Other</b>					
<b>Financing Sources (Uses)</b>	<b>(200,000)</b>	<b>(155,349)</b>	<b>(355,349)</b>	<b>44,657</b>	<b>400,006</b>
<b>Fund Balance, July 1</b>	<b>807,682</b>		<b>807,682</b>	<b>807,682</b>	
<b>Fund Balance, June 30</b>	<b>\$ 607,682</b>	<b>\$ (155,349)</b>	<b>\$ 452,333</b>	<b>\$ 852,339</b>	<b>\$ 400,006</b>
<b>Recapitulation:</b>					
<b>Restricted Fund Balance:</b>					
Capital Reserve				\$ 2,731	
<b>Assigned Fund Balance:</b>					
Encumbrances				67,770	
Designated for Subsequent Years Expenditures				338,000	
<b>Unassigned Fund Balance</b>				<b>443,838</b>	
				<b>852,339</b>	
<b>Reconciliation to Governmental Funds Statements (GAAP):</b>					
<b>Last State Aid Payment not recognized on GAAP basis</b>				<b>(1,299,476)</b>	
<b>Fund Balance per Governmental Funds (GAAP)</b>				<b>\$ (447,137)</b>	

**PITTSGROVE TOWNSHIP SCHOOL DISTRICT**  
**BUDGETARY COMPARISON SCHEDULE**  
**SPECIAL REVENUE FUND**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<b>REVENUES:</b>					
State Sources	\$ 69,300		\$ 69,300	\$ 69,300	
Federal Sources	874,854	(60,487)	814,367	743,154	71,213
Other Sources		15,241	15,241	15,241	
<b>Total Revenues</b>	<u>944,154</u>	<u>(45,246)</u>	<u>898,908</u>	<u>827,695</u>	<u>71,213</u>
<b>EXPENDITURES:</b>					
<b>Instruction</b>					
Salaries - Teachers	550,706	(221,500)	329,206	309,556	19,650
Salaries - Other Instruction	9,300	(9,300)			
Purchased Prof - Ed. Services		9,300	9,300	9,300	
Purchased Prof - Tech. Services	9,268	4,363	13,631	13,631	
Tuition - Child Study Team	373,880	4,930	378,810	378,810	
Supplies and Materials	1,000	29,306	30,306	10,160	20,146
Other Objects		3,000	3,000	861	2,139
<b>Total Instruction</b>	<u>944,154</u>	<u>(179,901)</u>	<u>764,253</u>	<u>722,318</u>	<u>41,935</u>
<b>Support Services</b>					
Salaries - Teachers		2,200	2,200		2,200
Personal Services - Employee Benefits		57,521	57,521	47,055	10,466
Purchased Prof. - Tech. Services		2,250	2,250	2,250	
Other Purchased Services		38,138	38,138	33,126	5,012
Supplies and Materials		18,402	18,402	7,705	10,697
General Supplies		1	1		1
Miscellaneous Expend		902	902		902
<b>Total Support Services</b>		<u>119,414</u>	<u>119,414</u>	<u>90,136</u>	<u>29,278</u>
<b>Facilities Acquisition and Construction Services:</b>					
Non-instructional Equipment		15,241	15,241	15,241	
<b>Total Facilities Acquisition and Construction Services</b>		<u>15,241</u>	<u>15,241</u>	<u>15,241</u>	
<b>Total Expenditures</b>	<u>944,154</u>	<u>(45,246)</u>	<u>898,908</u>	<u>827,695</u>	<u>71,213</u>
<b>Other Financing Sources (Uses)</b>					
<b>Total Other Financing Sources (Uses)</b>					
<b>Total Outflows</b>	<u>944,154</u>	<u>(45,246)</u>	<u>898,908</u>	<u>827,695</u>	<u>71,213</u>
<b>Excess (Deficiency) of Revenues Over (Under)</b>					
<b>Expenditures and Other Financing Sources (Uses)</b>	\$	\$	\$	\$	\$

**NOTES TO THE REQUIRED SUPPLEMENTARY  
INFORMATION - PART II**

PITTSBORO TOWNSHIP SCHOOL DISTRICT  
REQUIRED SUPPLEMENTAL INFORMATION  
BUDGET-TO-GAAP RECONCILIATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

**Note A - Explanation of Differences between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures**

	Ref	General Fund	Ref	Special Revenue Fund
<b>Sources/inflows of resources</b>				
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	[C-1]	\$ 28,676,933	[C-2]	\$ 827,695
Difference - budget to GAAP:				
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.				3,115
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.		1,259,811		6,930
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.		(1,299,476)		(6,930)
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	[B-2]	\$ 28,637,268	[B-2]	\$ 830,810
<b>Uses/outflows of resources</b>				
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1]	\$ 28,604,908	[C-2]	\$ 827,695
Differences - budget to GAAP				
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for <i>budgetary</i> purposes, but in the year the supplies are received for <i>financial reporting</i> purposes.				3,115
Pension Expense recognized for GAAP but not for budgetary purposes.				
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	[B-2]	\$ 28,604,908	[B-2]	\$ 830,810

**REQUIRED SUPPLEMENTARY INFORMATION - PART III**

**PITTSBORO TOWNSHIP SCHOOL DISTRICT**  
**SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE**  
**OF THE NET PENSION LIABILITY**  
**PUBLIC EMPLOYEE'S RETIREMENT SYSTEM**

	<u>2014</u>
District's Proportion of the Net Pension Liability(Asset)	0.0430165216%
District's Proportionate Share of the Net Pension Liability (Asset)	\$ 8,053,869
District's Covered-Employee Payroll	\$ 2,539,163
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	317.19%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	52.08%

Note: The amounts presented for each fiscal year were determined as of the calendar year-end that occurred within the fiscal year.

SCHEDULE L-2

PITTSGROVE TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF THE DISTRICT CONTRIBUTIONS  
PUBLIC EMPLOYEE'S RETIREMENT SYSTEM

	<u>2014</u>
Contractually Required Contribution	\$ 354,622
Contributions in Relation to the Contractually Required Contribution	(354,622)
Contribution Deficiency (Excess)	<u>\$</u>
District's Covered-Employee Payroll	\$ 2,539,163
Contributions as a Percentage of Covered-Employee Payroll	13.97%

**PITTSGROVE TOWNSHIP SCHOOL DISTRICT**  
**SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE**  
**OF THE NET PENSION LIABILITY**  
**TEACHER'S PENSION PLAN**

	<u>2014</u>
District's Proportion of the Net Pension Liability(Asset)	0.1108438255%
District's Proportionate Share of the Net Pension Liability (Asset)	\$ 65,667
District's Covered-Employee Payroll	\$ 11,402,837
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	0.58%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	33.64%

Note: The amounts presented for each fiscal year were determined as of the calendar year-end that occurred within the fiscal year.

**NOTES TO THE REQUIRED SUPPLEMENTARY  
INFORMATION - PART III**

**PITTSGROVE TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION PART III**  
**PENSION SCHEDULES**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

**Teachers' Pension and Annuity Fund (TPAF)**

*Changes of benefit terms.* The vesting and benefit provisions are set by N.J.S.A. 18A:66. TPAF provides retirement, death and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of TPAF. Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

*Change of assumptions.* Mortality rates were based on the RP-2000 Health Annuitant Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale AA. Pre-retirement mortality improvements for active members are projected using Scale AA from the base year 2000 until the valuation date plus 15 years to account for future mortality improvement. Post-retirement mortality improvements for non-disabled annuitants are projected using Scale AA from the base year of 2000 for males and 2003 for females until the valuation date plus 7 years to account for future mortality improvement.

**Public Employees' Retirement System (PERS)**

*Changes of benefit terms.* The vesting and benefit provisions are set by N.J.S.A. 43:15A. PERS provides retirement, death, and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of PERS.

*Change of assumptions.* Mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for females) with adjustments for mortality improvements from the base year of 2012 Based on Projection Scale AA.

**OTHER SUPPLEMENTARY INFORMATION**

## **SPECIAL REVENUE FUND DETAIL STATEMENTS**

The Special Revenue Fund is used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specific purposes.

**PITTSBORO TOWNSHIP SCHOOL DISTRICT**  
**SPECIAL REVENUE FUND**  
**COMBINING SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>IDEA</u>		<u>Preschool Education</u>	<u>NJ BAIG</u>		<u>Sub-Total Per E-1(2)</u>	<u>Totals 2015</u>
	<u>Part B</u>	<u>Pre K</u>		<u>2012</u>	<u>2013</u>		
REVENUES:							
State Sources	\$	\$	\$ 69,300	\$	\$	\$	\$ 69,300
Federal Sources	378,810	12,631				351,713	743,154
Other Sources				6,485	8,756		15,241
<b>Total Revenues</b>	<b>\$ 378,810</b>	<b>\$ 12,631</b>	<b>\$ 69,300</b>	<b>\$ 6,485</b>	<b>\$ 8,756</b>	<b>\$ 351,713</b>	<b>\$ 827,695</b>
EXPENDITURES:							
Instruction:							
Salaries - Teachers	\$	\$	\$ 59,000			250,556	\$ 309,556
Purchased Prof - Ed Services			9,300				9,300
Purchased Prof - Tech Services		12,631				1,000	13,631
Tuition-Child Study Team	378,810						378,810
Supplies and Materials			1,000			9,160	10,160
Other Objects						861	861
<b>Total Instruction</b>	<b>378,810</b>	<b>12,631</b>	<b>69,300</b>			<b>261,577</b>	<b>722,318</b>
Support Services:							
Personal Services - Employee Benefits						47,055	47,055
Purchased Prof - Tech. Services						2,250	2,250
Other Purchased Services						33,126	33,126
Supplies and Materials						7,705	7,705
<b>Total Support Services</b>						<b>90,136</b>	<b>90,136</b>
Facilities Acquisition and Const. Serv.:							
Non-Instructional Equipment				6,485	8,756		15,241
<b>Total Facilities Acquisition and Construction Services</b>				<b>6,485</b>	<b>8,756</b>		<b>15,241</b>
<b>Total Expenditures</b>	<b>\$ 378,810</b>	<b>\$ 12,631</b>	<b>\$ 69,300</b>	<b>\$ 6,485</b>	<b>\$ 8,756</b>	<b>\$ 351,713</b>	<b>\$ 827,695</b>

**PITTSBORO TOWNSHIP SCHOOL DISTRICT**  
**SPECIAL REVENUE FUND**  
**COMBINING SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>NCLB</u> <u>Title I - Part A</u>	<u>NCLB</u> <u>Title II-A</u>	<u>Subtotal</u> <u>2015</u>
	<u>2014-15</u>	<u>2014-15</u>	
REVENUES:			
State Sources			
Federal Sources	\$ 319,350	\$ 32,363	\$ 351,713
Total revenues	\$ 319,350	\$ 32,363	\$ 351,713
EXPENDITURES:			
Instruction:			
Salaries - Teachers	\$ 250,556	\$	\$ 250,556
Purchased Prof - Ed Services			
Purch Prof/Tech Serv	1,000		1,000
Supplies and Materials	9,160		9,160
Other Objects	861		861
Total Instruction	261,577		261,577
Support Services:			
Personal Services - Employee Benefits	47,055		47,055
Purchased Professional - Tech. Services	200	2,050	2,250
Other Purchased Services	4,059	29,067	33,126
Supplies and Materials	6,459	1,246	7,705
Total Support Services	57,773	32,363	90,136
Facilities Acquisition and Const. Serv.:			
Non-Instructional Equipment			
Total Facilities Acquisition and Construction Services			
Total Expenditures	\$ 319,350	\$ 32,363	\$ 351,713

**PITTSGROVE TOWNSHIP SCHOOL DISTRICT**  
**SPECIAL REVENUE FUND**  
**SCHEDULE OF PRESCHOOL EDUCATION AID**  
**BUDGETARY BASIS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>EXPENDITURES:</b>			
<b>Instruction:</b>			
Salaries of Teachers	\$ 59,000	\$ 59,000	\$
Purchased Prof - Education Services	9,300	9,300	
Supplies and Materials	1,000	1,000	
<b>Total Instruction</b>	<u>69,300</u>	<u>69,300</u>	
<b>Support Services:</b>			
<b>Total Support Services</b>			
<b>Facilities Acquisition and Const. Services:</b>			
Instructional Equipment			
Non-instructional Equipment			
<b>Total Facilities Acquisition and Const. Services</b>			
<b>Contribution to Charter Schools</b>			
<b>Total Expenditures</b>	<u>\$ 69,300</u>	<u>\$ 69,300</u>	<u>\$</u>

**CALCULATION OF BUDGET & CARRYOVER**

Total 2014-15 Preschool Education Aid Allocation	\$ 69,300	(1)
Add: Actual ECPA Carryover (June 30, 2014)		(2)
Add: Budgeted Transfer from General Fund 2014-15		(3)
<b>Total Preschool Education Aid Funds Available for 2013-14 Budget</b>	<u>69,300</u>	(4)
Less: 2014-15 Budgeted Preschool Education Aid and Prior Year Budgeted (Carryover)	<u>(69,300)</u>	(5)
<b>Available &amp; Unbudgeted Preschool Education Aid Funds as of June 30, 2015</b>	-	(6)
Add: June 30, 2015 Unexpended Preschool Education Aid	-	(7)
Less: 2014-15 Commissioner-approved Transfer to the General Fund	-	(8)
<b>2014-15 Carryover - Preschool Education Aid</b>	<u>-</u>	(9)
<b>2014-15 Preschool Education Aid Carryover     Budgeted for Preschool Programs 2015-16</b>	<u>-</u>	(10)

## **CAPITAL PROJECTS FUND DETAIL STATEMENT**

The Capital Projects Fund is used to account for the acquisition and construction of major capital facilities and equipment purchases other than those financed by proprietary funds.

**PITTSGROVE TOWNSHIP SCHOOL DISTRICT**  
**CAPITAL PROJECTS FUND**  
**SUMMARY SCHEDULE OF PROJECT EXPENDITURES**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

<u>Number</u>	<u>Issue/Project Title</u>	<u>Appropriations</u>	<u>Cancelled</u>	<u>Expenditures to Date</u>		<u>Unexpended Balance 6/30/15</u>	<u>Memo Only</u>	
				<u>Prior Year</u>	<u>Current Year</u>		<u>Encumbrances</u>	<u>Available Balance</u>
2010-1	Various Renovations at Olivet School	\$ 3,496,413	\$ (129,985)	\$ 3,351,795	\$ 416	\$ 14,217	\$ 14,217	\$
2010-3	Renovations at Shalick High School	281,250	(36,422)	193,196		51,632		51,632
		<u>\$ 3,777,663</u>	<u>\$ (166,407)</u>	<u>\$ 3,544,991</u>	<u>\$ 416</u>	<u>\$ 65,849</u>	<u>\$ 14,217</u>	<u>\$ 51,632</u>

**PITTSGROVE TOWNSHIP SCHOOL DISTRICT**  
**CAPITAL PROJECTS FUND**  
**SUMMARY SCHEDULE OF REVENUES AND EXPENDITURES**  
**FOR THE YEAR ENDED JUNE 30, 2015**

**Revenues and Other Financing  
Sources**

Interest Earned	\$	110
Miscellaneous Refund		
Total Revenues		<u>110</u>

**Expenditures and Other Financing  
Uses**

Other Professional and Technical Services		
Construction Services		416
Total Expenditures		<u>416</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures before Transfers		(306)
Transfer to General Fund		(110)
Excess (Deficiency) of Revenues Over (Under) Expenditures		(416)
Fund Balance - Beginning		<u>66,265</u>
Fund Balance - Ending	\$	<u><u>65,849</u></u>

**PITTSBORO TOWNSHIP SCHOOL DISTRICT**  
**CAPITAL PROJECTS FUND**  
**SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND**  
**PROJECT STATUS - BUDGETARY BASIS**  
**FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2015**

**Various Renovations at Olivet Elementary School**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
State Sources - EDA Grant	\$ 1,883,685	\$	\$ 1,883,685	\$ 1,883,685
Bond Proceeds & Transfers	1,482,743		1,482,743	1,482,743
<b>Total Revenues</b>	<u>3,366,428</u>		<u>3,366,428</u>	<u>3,366,428</u>
<b>Expenditures and Other Financing Uses</b>				
Other Professional and Technical Services	406,919		406,919	
Construction Services	2,944,876	416	2,945,292	3,366,428
<b>Total Expenditures</b>	<u>3,351,795</u>	<u>416</u>	<u>3,352,211</u>	<u>3,366,428</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>\$ 14,633</u>	<u>\$ 416</u>	<u>\$ 14,217</u>	<u>\$</u>

**Additional project information:**

Project Number	4150-060-09-1001-G02 PEC
Grant Date	3/20/2010
Original Authorization Cost	\$3,497,173
Additional Authorized Cost	\$0
Revised Authorized Cost	\$3,497,173
Percentage Increase over Original Authorized Cost	0.00%
Percentage Completion	100%
Original Target Completion Date	N/A
Revised Target Completion Date	6/30/2013

**PITTSBORO TOWNSHIP SCHOOL DISTRICT**  
**CAPITAL PROJECTS FUND**  
**SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND**  
**PROJECT STATUS - BUDGETARY BASIS**  
**FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2015**

**Renovations at Shalick High School**

	<u>Prior</u> <u>Periods</u>	<u>Current</u> <u>Year</u>	<u>Totals</u>	<u>Revised</u> <u>Authorized</u> <u>Cost</u>
<b>Revenues and Other Financing Sources</b>				
Bond Proceeds & Transfers	\$ 244,068	\$	\$ 244,068	\$ 244,068
Transfer from Capital Outlay	760		760	760
Total Revenues	<u>244,828</u>		<u>244,828</u>	<u>244,828</u>
<b>Expenditures and Other Financing Uses</b>				
Other Professional and Technical Services	26,931		26,931	26,931
Construction Services	166,265		166,265	217,897
Total Expenditures	<u>193,196</u>		<u>193,196</u>	<u>244,828</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 51,632</u>	<u>\$</u>	<u>\$ 51,632</u>	<u>\$</u>

**Additional project information:**

Project Number	4150-040-09-1000
Grant Date	3/20/10
Original Authorization Cost	\$281,250
Additional Authorized Cost	\$0
Revised Authorized Cost	\$281,250
Percentage Increase over Original Authorized Cost	0.00%
Percentage Completion	69%
Original Target Completion Date	N/A
Revised Target Completion Date	6/30/2013

## **PROPRIETARY FUND DETAIL STATEMENTS**

Proprietary Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises – where the intent of the district’s board is that the costs of providing goods or services be financed through user charges.

**Food Services Fund** – This fund provides for the operation of food services in all schools within the school district.

**School Age Child Care Fund** – This fund provides for the operation of school child supervision.

**Internal service funds** – This fund is used to serve organizational units within the district or to serve other governmental units.

**THIS SECTION HAS ALREADY BEEN INCLUDED IN STATEMENTS B-4, B-5  
AND B-6.**

**PITTSGROVE TOWNSHIP SCHOOL DISTRICT**  
**ENTERPRISE FUND**  
**COMBINING SCHEDULE OF NET POSITION**  
**AS OF JUNE 30, 2015**  
**(with comparative totals for June 30, 2014)**

	<u>Food Service Enterprise Fund</u>	<u>(SACC) School Age Child Care Enterprise Fund</u>	<u>Totals</u>	
			<u>2015</u>	<u>2014</u>
<b>ASSETS</b>				
Current Assets:				
Cash and Cash Equivalents	\$ 103,245	\$ 46,080	\$ 149,325	\$ 102,590
Accounts Receivable:				
State	745		745	1,891
Federal	26,228		26,228	64,466
Other	1,032	7,995	9,027	15,960
Interfund	206,789		206,789	71,613
Inventories	3,498		3,498	2,854
Total Current Assets	<u>341,537</u>	<u>54,075</u>	<u>395,612</u>	<u>259,374</u>
Fixed Assets:				
Equipment	259,529		259,529	242,400
Accumulated Depreciation	(207,579)		(207,579)	(205,126)
Total Fixed Assets	<u>51,950</u>		<u>51,950</u>	<u>37,274</u>
Total Assets	<u>\$ 393,487</u>	<u>\$ 54,075</u>	<u>\$ 447,562</u>	<u>\$ 296,648</u>
<b>LIABILITIES</b>				
Current Liabilities:				
Interfund Payable	\$	\$	\$	\$ 3,754
Compensated Absences		662	662	567
Accounts Payable	269,881	2,064	271,945	130,849
Unearned Revenue	3,498	166	3,664	7,177
Total Current Liabilities	<u>273,379</u>	<u>2,892</u>	<u>276,271</u>	<u>142,347</u>
<b>NET POSITION</b>				
Investment in Capital Assets net of Related Debt	51,950		51,950	37,274
Unrestricted	68,158	51,183	119,341	117,027
Total Net Position	<u>120,108</u>	<u>51,183</u>	<u>171,291</u>	<u>154,301</u>
Total Liabilities and Net Position	<u>\$ 393,487</u>	<u>\$ 54,075</u>	<u>\$ 447,562</u>	<u>\$ 296,648</u>

**PITTSGROVE TOWNSHIP SCHOOL DISTRICT**  
**ENTERPRISE FUND**  
**COMBINING SCHEDULE OF REVENUES, EXPENSES**  
**AND CHANGES IN FUND NET POSITION**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2015**  
**(with comparative totals for June 30, 2014)**

	Food Service Enterprise Fund	School Age Child Care Enterprise Fund	Totals	
			2015	2014
<b>OPERATING REVENUES:</b>				
Local Sources:				
Daily Sales-Reimbursable Programs:				
School Lunch Program	\$ 238,556	\$	\$ 238,556	\$ 239,715
Total Daily Sales-Reimbursable Programs	238,556		238,556	239,715
Daily Sales Non-reimbursable Programs	109,024		109,024	108,081
Special Functions	26,099		26,099	35,525
Service Charges		128,520	128,520	144,876
Miscellaneous	500		500	5,455
Total Operating Revenue	374,179	128,520	502,699	293,937
<b>OPERATING EXPENSES:</b>				
Salaries		105,356	105,356	97,005
Employee Benefits		8,060	8,060	8,081
Other Costs	26,795	15,078	41,873	29,677
Sodexo Costs:				
Salaries	214,484		214,484	205,952
Employee Benefits	41,498		41,498	42,756
Supplies and Materials	32,756		32,756	46,050
Management Fees	57,462		57,462	58,370
Insurance	16,503		16,503	12,852
Other Costs	20,085		20,085	5,987
Cost of Sales	300,587		300,587	291,371
Depreciation	2,453		2,453	1,950
Total Operating Expenses	712,623	128,494	841,117	800,051
Operating Loss	(338,444)	26	(338,418)	(506,114)
<b>Non-operating Revenues:</b>				
State Sources:				
State School Lunch Program	7,051		7,051	7,623
Federal Sources:				
National School Breakfast Program	67,424		67,424	57,961
National School Lunch Program	234,223		234,223	247,662
Special Milk Program	1,618		1,618	1,119
Food Distribution Program	44,631		44,631	50,309
Interest Revenue	271	190	461	192
Total Non-operating Revenues	355,218	190	355,408	364,866
Net Income Before Operating Transfers	16,774	216	16,990	98,467
Net Income After Operating Transfers	16,774	216	16,990	98,467
Total Net Position-Beginning	103,334	50,967	154,301	55,834
Total Net Position-Ending	\$ 120,108	\$ 51,183	\$ 171,291	\$ 154,301

**PITTSGROVE TOWNSHIP SCHOOL DISTRICT  
ENTERPRISE FUND  
COMBINING SCHEDULE OF CASH FLOWS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
(with comparative totals for June 30, 2014)**

	<b>Food Service Enterprise Fund</b>	<b>School Age Child Care Enterprise Fund</b>	<b>Totals</b>	
			<b>2015</b>	<b>2014</b>
Cash Flows from Operating Activities:				
Receipts from Customers	\$ 374,179	\$ 128,520	\$ 502,699	\$ 533,652
Payments to Employees	(214,484)	(105,356)	(319,840)	(302,957)
Payments for Employee Benefits	(41,498)	(8,060)	(49,558)	(50,837)
Payments to Suppliers	(377,572)	(19,771)	(397,343)	(463,034)
Net Cash Used by Operating Activities	<u>(259,375)</u>	<u>(4,667)</u>	<u>(264,042)</u>	<u>(283,176)</u>
Cash Flows from Non-capital Financing Activities:				
Cash Received From General Fund				
Cash Received from State and Federal Reimbursements	310,316		310,316	314,365
Total Cash Provided by Non-Capital Financing Activities	<u>310,316</u>		<u>310,316</u>	<u>314,365</u>
Cash Flows from Capital and Related Financing Activities:				
Acquisition of Capital Assets				
Net Increase Before Investing Activities	<u>50,941</u>		<u>46,274</u>	<u>31,189</u>
Cash Flows from Investing Activities:				
Interest on Investments	271	190	461	192
Net Cash Provided by Investing Activities	<u>271</u>	<u>190</u>	<u>461</u>	<u>192</u>
Net Increase/(Decrease) in Cash and Cash Equivalents	<u>51,212</u>	<u>(4,477)</u>	<u>46,735</u>	<u>31,381</u>
Cash and Cash Equivalents, July 1	<u>52,033</u>	<u>50,557</u>	<u>102,590</u>	<u>71,209</u>
Cash and Cash Equivalents, June 30	<u>\$ 103,245</u>	<u>\$ 46,080</u>	<u>\$ 149,325</u>	<u>\$ 102,590</u>
Operating Income (Loss)	\$ (338,444)	\$ 26	\$ (338,418)	\$ (266,399)
Adjustments to Reconcile Operating Income (Loss) to Cash Provided (Used) by Operating Activities				
Depreciation	2,453		2,453	1,950
Federal Commodities	44,631		44,631	50,309
Change in Assets and Liabilities:				
(Increase)/Decrease in Accounts Receivable	44,279	2,038	46,317	(7,762)
(Increase)/Decrease in Inventory	(644)		(644)	2,484
(Increase)/Decrease in Interfund Receivable	(135,176)		(135,176)	683
(Increase)/Decrease in Fixed Assets	(17,129)		(17,129)	(3,500)
Increase/(Decrease) in Interfund Payable		(3,754)	(3,754)	3,754
Increase/(Decrease) in Accounts Payable	141,055	41	141,096	(64,591)
Increase/(Decrease) in Compensated Absences		95	95	131
Increase/(Decrease) in Unearned Revenue	(400)	(3,113)	(3,513)	(235)
Net Cash Provided by Investing Activities	<u>79,069</u>	<u>(4,693)</u>	<u>74,376</u>	<u>(16,777)</u>
Net Cash Used by Operating Activities	<u>\$ (259,375)</u>	<u>\$ (4,667)</u>	<u>\$ (264,042)</u>	<u>\$ (283,176)</u>

**PITTSBORO TOWNSHIP SCHOOL DISTRICT**  
**INTERNAL SERVICE FUND**  
**COMBINING SCHEDULE OF NET POSITION**  
**AS OF JUNE 30, 2015**  
**(with comparative totals for June 30, 2014)**

	Business Services Internal Service Fund	Internet Access Internal Service Fund	Distance Learning Hub Service Fund	Transportation Jointures Internal Service Fund	Paper Services Internal Service Fund	Art Academy School	Custodial Services Community Service Fund	Totals	
								2015	2014
<b>ASSETS</b>									
Cash	\$ 41,489	\$ (1,753)	\$ 376,320	\$ (4,897)	\$ 261,182	\$ 19,420	\$ 137,538	\$ 829,299	\$ 925,416
Accounts Receivable									
Intergovernmental	9,934	19,125	30,132	27,813	19,587	251,146		357,737	66,481
Inventory					52,978			52,978	52,978
Fixed Assets (Net)									8,623
<b>Total Assets</b>	<b>\$ 51,423</b>	<b>\$ 17,372</b>	<b>\$ 406,452</b>	<b>\$ 22,916</b>	<b>\$ 333,747</b>	<b>\$ 270,566</b>	<b>\$ 137,538</b>	<b>\$ 1,240,014</b>	<b>\$ 1,053,498</b>
<b>LIABILITIES AND RESERVES</b>									
<b>Liabilities:</b>									
Accounts Payable	\$ 91	\$ 9,984	\$ 1,300	\$	\$	\$	\$ 1,208	\$ 12,583	\$ 15,989
Interfunds Payable				13,701				13,701	13,701
Other Current Liabilities			51,591					51,591	231,591
Unearned Revenue	48,092	7,388	305,194	9,215	333,747	270,566	136,330	1,110,532	731,589
	48,183	17,372	358,085	22,916	333,747	270,566	137,538	1,188,407	992,870
<b>Reserves:</b>									
Reserve for encumbrances	3,240		48,367					51,607	60,628
<b>Total Liabilities and Reserves</b>	<b>\$ 51,423</b>	<b>\$ 17,372</b>	<b>\$ 406,452</b>	<b>\$ 22,916</b>	<b>\$ 333,747</b>	<b>\$ 270,566</b>	<b>\$ 137,538</b>	<b>\$ 1,240,014</b>	<b>\$ 1,053,498</b>

**PITTSGROVE TOWNSHIP SCHOOL DISTRICT**  
**INTERNAL SERVICE FUND**  
**COMBINING SCHEDULE OF REVENUE, EXPENDITURES**  
**AND CHANGES IN FUND NET POSITION**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2015**  
**(with comparative totals for June 30, 2014)**

	Business	Internet	Distance	Transportation	Paper	Art	Custodial	Totals	
	Services	Access	Learning	Jointures	Services	Academy	Services	2015	2014
	Internal	Service Fund	Hub	Internal	Internal	Fund	Internal		
	Service Fund		Service Fund	Service Fund	Service Fund		Service Fund		
REVENUE:									
Service Charges	\$ 75,425	\$	\$ 282,070	\$ 360,838	\$ 15,284	\$ 291,421	\$ 32,697	\$ 1,057,735	\$ 959,416
Total	75,425		282,070	360,838	15,284	291,421	32,697	1,057,735	959,416
EXPENDITURES:									
Salaries	33,369		2,082			174,860		210,311	436,537
Employee Benefits	2,673		22	25,642				28,337	8,151
Equipment				335,196				335,196	
Purchased Professional/Technical Services	3,190		154,090					157,280	242,644
Other Purchased Services	210							210	36,375
Depreciation						8,623		8,623	2,874
Supplies and Materials	2,392	47,471			13,605		47,923	111,391	93,973
Miscellaneous Other Costs	1,346	5,200					9,919	16,465	1,767
Total Expenditures	43,180	52,671	156,194	360,838	13,605	183,483	57,842	867,813	822,321
Excess of Revenue over Expenditures	32,245	(52,671)	125,876		1,679	107,938	(25,145)	189,922	137,095
Non-operating Revenues:									
Transfer to Unearned Revenue	(32,195)	16,356	(278,632)		(1,679)	(107,938)	25,145	(378,943)	48,404
Cancellation of Accounts Receivable									(68,540)
Cancellation of Accounts Payable			180,000					180,000	3,033
Inventory Adjustment									(54,085)
Transfer to General Fund									(52,000)
Reserve for Encumbrance-Beginning	3,190	36,315	21,123					60,628	46,721
Reserve for Encumbrance-Ending	\$ 3,240	\$	\$ 48,367	\$	\$	\$	\$	\$ 51,607	\$ 60,628

**PITTSGROVE TOWNSHIP SCHOOL DISTRICT**  
**INTERNAL SERVICE FUND**  
**COMBINING STATEMENT OF CASH FLOWS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2015**  
**(with comparative totals for June 30, 2014)**

	Business Services Internal Service Fund	Internet Access Internal Service Fund	Distance Learning Service Fund	Transportation Jointures Internal Service Fund	Paper Services Internal Service Fund	Art Academy Fund	Custodial Services Internal Service Fund	Totals	
								2015	2014
Cash Flows from Operations:									
Cash Received from Users	\$ 68,781		\$ 242,367	\$ 337,068	\$ 15,284	\$ 52,858	\$ 32,697	\$ 749,055	\$ 959,416
Interest Income									
Interfund Payments									
Cash Paid to Suppliers	43,089	41,036	169,714	341,965	14,130	177,960	57,278	845,172	846,840
Net Cash (Used) Provided from Operations	25,692	(41,036)	72,653	(4,897)	1,154	(125,102)	(24,581)	(96,117)	112,576
Cash, July 1	15,797	39,283	303,667		260,028	144,522	162,119	925,416	812,840
Cash, June 30	\$ 41,489	\$ (1,753)	\$ 376,320	\$ (4,897)	\$ 261,182	\$ 19,420	\$ 137,538	\$ 829,299	\$ 1,617,109

## **FIDUCIARY FUNDS DETAIL STATEMENTS**

Fiduciary Funds are used to account for funds received by the school district for a specific purpose.

Agency Funds are used to account for assets held by the school district as an agent for individuals, private organizations, other governments an/or other funds.

**Student Activity Fund** – This agency fund is used to account for student funds held at the schools.

**Payroll Fund** – This agency fund is used to account for the payroll transactions of the school district.

**PITTSBORO TOWNSHIP SCHOOL DISTRICT**  
**COMBINING STATEMENT OF FIDUCIARY NET POSITION**

**JUNE 30, 2015**

(with comparative totals for June 30, 2014)

	Non- Expendable Trust Scholarship	Agency		Totals	
		Student Activity	Payroll	2015	2014
<b>ASSETS:</b>					
Cash and Cash Equivalents	\$ 98,072	\$ 157,408	\$ 15,064	\$ 270,544	\$ 246,076
Due from Scholarship		4,500		4,500	4,500
Total Assets	<u>\$ 98,072</u>	<u>\$ 161,908</u>	<u>\$ 15,064</u>	<u>\$ 275,044</u>	<u>\$ 250,576</u>
<b>LIABILITIES, RESERVES AND NET POSITION:</b>					
Liabilities:					
Accounts Payable	\$ 2,250	\$ 6,325	\$	\$ 8,575	\$ 6,611
Due to Student Activity Fund	4,500			4,500	4,500
Due to Student Groups		155,583		155,583	131,074
Payroll Deductions and Withholdings			14,086	14,086	15,093
Due to General Fund			978	978	10
Total Liabilities	<u>6,750</u>	<u>161,908</u>	<u>15,064</u>	<u>183,722</u>	<u>157,288</u>
Net Position:					
Held in Trust for Unemployment Claims and Other Purposes	91,322			91,322	93,288
Total Net Position	<u>91,322</u>			<u>91,322</u>	<u>93,288</u>
Total Liabilities, Reserves and Net Position	<u>\$ 98,072</u>	<u>\$ 161,908</u>	<u>\$ 15,064</u>	<u>\$ 275,044</u>	<u>\$ 250,576</u>

**PITTSGROVE TOWNSHIP SCHOOL DISTRICT**  
**COMBINING STATEMENT OF CHANGES**  
**IN FIDUCIARY NET POSITION**  
**FOR THE FISCAL YEARS ENDED JUNE 30, 2015 AND 2014**

	<u>2015</u>	<u>2014</u>
<b>OPERATING REVENUE:</b>		
Local Sources:		
Contributions	\$	\$ 4,269
Interest on Investments	284	289
Total Operating Revenues	<u>284</u>	<u>4,558</u>
<b>OPERATING EXPENSES:</b>		
Scholarship Expenditures	<u>2,250</u>	<u>2,250</u>
Total Operating Expenses	<u>2,250</u>	<u>2,250</u>
Operating Income (Loss)	<u>(1,966)</u>	<u>2,308</u>
Net Income (Loss)	(1,966)	2,308
Net Position, July 1	<u>93,288</u>	<u>90,980</u>
Net Position, June 30	<u>\$ 91,322</u>	<u>\$ 93,288</u>

**PITTSGROVE TOWNSHIP SCHOOL DISTRICT**  
**STUDENT ACTIVITY FUND**  
**SCHEDULE OF RECEIPTS AND DISBURSEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<b>Balance July 1, 2014</b>	<b>Cash Receipts</b>	<b>Cash Disbursements</b>	<b>Accounts Receivable June 30, 2015</b>	<b>Accounts Payable June 30, 2015</b>	<b>Balance June 30, 2015</b>
<b>ELEMENTARY SCHOOLS:</b>						
Middle	\$ 15,542	\$ 69,827	\$ 64,764	\$	\$	\$ 20,605
Norma	11,994	2,001	630			13,365
Olivet	15,879	7,236	5,757			17,358
Elmer		582	76		70	436
Total Elementary Schools	<u>43,415</u>	<u>79,646</u>	<u>71,227</u>		<u>70</u>	<u>51,764</u>
<b>SENIOR HIGH SCHOOL:</b>						
Arthur P. Schalick - Field Trips	11	6,848	6,849			10
Arthur P. Schalick	87,573	240,551	222,599	4,500	6,255	103,770
Total Senior High Schools	<u>87,584</u>	<u>247,399</u>	<u>229,448</u>	<u>4,500</u>	<u>6,255</u>	<u>103,780</u>
<b>OTHER STUDENT ACTIVITIES:</b>						
Arthur P. Schalick High School Athletic Fund	75	83,378	83,414			39
Total Other Student Activities:	<u>75</u>	<u>83,378</u>	<u>83,414</u>			<u>39</u>
Total All Schools	<u>\$ 131,074</u>	<u>\$ 410,423</u>	<u>\$ 384,089</u>	<u>\$ 4,500</u>	<u>\$ 6,325</u>	<u>\$ 155,583</u>

**PITTSGROVE TOWNSHIP SCHOOL DISTRICT**  
**PAYROLL AGENCY FUND**  
**SCHEDULE OF RECEIPTS AND DISBURSEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Balance</u> <u>July 1,</u> <u>2014</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30,</u> <u>2015</u>
<b>ASSETS:</b>				
Cash and Cash Equivalents	\$ 15,103	\$ 16,757,631	\$ 16,757,670	\$ 15,064
Total Assets	<u>\$ 15,103</u>	<u>\$ 16,757,631</u>	<u>\$ 16,757,670</u>	<u>\$ 15,064</u>
<b>LIABILITIES:</b>				
Payroll Deductions and Withholdings	\$ 15,093	\$ 16,756,653	\$ 16,757,660	\$ 14,086
Due to General Fund	10	978	10	978
Total Liabilities	<u>\$ 15,103</u>	<u>\$ 16,757,631</u>	<u>\$ 16,757,670</u>	<u>\$ 15,064</u>

## **LONG-TERM DEBT SCHEDULES**

The Long-Term Schedules are used to reflect the outstanding principal balances of the general long-term liabilities of the school district. This includes serial bonds outstanding and obligations under capital leases.

**PITTSGROVE TOWNSHIP SCHOOL DISTRICT**  
**LONG-TERM DEBT**  
**STATEMENT OF SERIAL BONDS**  
**JUNE 30, 2015**

<u>Issue</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Annual Maturities</u>		<u>Interest Rate</u>	<u>Balance July 1, 2014</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance June 30, 2015</u>
			<u>Date</u>	<u>Amount</u>					
Refunding Bonds of 2009 to refund Series 1999 above	5/1/09	\$ 4,850,000	11/1/15	\$ 340,000	3.00%	\$ 3,420,000	\$	\$ 345,000	\$ 3,075,000
			11/1/16	335,000	4.00%				
			11/1/17-19	345,000	5.00%				
			11/1/20-21	345,000	4.25%				
			11/01/22	340,000	4.25%				
			11/01/23	335,000	4.25%				
2009 Various Capital Expenditures	12/18/09	\$ 1,856,000	6/30/16	\$ 80,000	3.75%	\$ 1,706,000	\$	\$ 70,000	\$ 1,636,000
			6/30/17	90,000	3.75%				
			6/30/18	100,000	3.75%				
			6/30/19	110,000	3.75%				
			6/30/20	120,000	3.75%				
			6/30/21	130,000	3.75%				
			6/30/22	140,000	3.75%				
			6/30/23	155,000	4.00%				
			6/30/24	160,000	4.00%				
			6/30/25	170,000	4.00%				
			6/30/26	185,000	4.00%				
			6/30/27	196,000	4.00%				

**PITTSBORO TOWNSHIP SCHOOL DISTRICT**  
**LONG-TERM DEBT**  
**STATEMENT OF SERIAL BONDS**  
**JUNE 30, 2015**

<u>Issue</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Annual Maturities</u>		<u>Interest Rate</u>	<u>Balance July 1, 2014</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance June 30, 2015</u>
			<u>Date</u>	<u>Amount</u>					
2013 Refunding Issue	3/20/13	\$ 1,805,000	3/1/16	\$ 130,000	2.00%	\$ 1,785,000	\$	\$ 115,000	\$ 1,670,000
			3/1/17	135,000	2.20%				
			3/1/18	135,000	2.00%				
			3/1/19	140,000	2.00%				
			3/1/20	140,000	2.00%				
			3/1/21	165,000	3.00%				
			3/1/22	170,000	3.00%				
			3/1/23	180,000	3.00%				
			3/1/24	235,000	3.00%				
			3/1/25	240,000	3.00%				
Total Regular Serial Bonds						<u>\$ 6,911,000</u>	<u>\$</u>	<u>\$ 530,000</u>	<u>\$ 6,381,000</u>

**PITTSGROVE TOWNSHIP SCHOOL DISTRICT**  
**LONG-TERM DEBT**  
**SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES**  
**JUNE 30, 2015**

<u>Series</u>	<u>Interest Rate Payable</u>	<u>Amount of Original Issue</u>	<u>Amount Outstanding June 30, 2014</u>	<u>Issued Current Year</u>	<u>Retired Current Year</u>	<u>Amount Outstanding June 30, 2015</u>
Lease # PUB 10180 Laptops	2.49%	\$ 266,912	\$ 67,528		\$ 67,528	
Lease # 7365079 New iPads	4.11%	114,121	38,018		38,018	
Lease # 40099825 Refinancing	2.75%	1,815,080	1,815,080		336,718	1,478,362
Lease # 40099826 Refinancing	2.75%	493,774	381,710		91,532	290,178
Lease - Chromebooks	2.79%	99,618	65,651		32,374	33,277
Lease -Teaching Material	2.62%	134,729	88,653		43,753	44,900
Totals			<u>\$ 2,456,640</u>	<u>\$</u>	<u>\$ 609,923</u>	<u>\$ 1,846,717</u>
					\$ 378,922	
					231,001	
					<u>\$ 609,923</u>	

**PITTSBORO TOWNSHIP SCHOOL DISTRICT**  
**BUDGETARY COMPARISON SCHEDULE**  
**DEBT SERVICE FUND**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative) Final to Actual</u>
<b>REVENUES:</b>					
Local Sources:					
Local Tax Levy	\$ 503,085	\$	\$ 503,085	\$ 503,085	\$
State Sources:					
Debt Service Aid Type II	277,543		277,543	277,543	
<b>Total Revenues</b>	<u>780,628</u>		<u>780,628</u>	<u>780,628</u>	
<b>EXPENDITURES:</b>					
Regular Debt Service:					
Interest on Bonds	250,628		250,628	250,628	
Redemption of Principal	530,000		530,000	530,000	
<b>Total Expenditures</b>	<u>780,628</u>		<u>780,628</u>	<u>780,628</u>	
Excess (Deficiency) of Revenues Over (Under) Expenditures					
Other Financing Sources:					
Operating Transfers In:					
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures					
Fund Balance, July 1	<u>13,397</u>		<u>13,397</u>	<u>13,397</u>	
Fund Balance, June 30	<u>\$ 13,397</u>	<u>\$</u>	<u>\$ 13,397</u>	<u>\$ 13,397</u>	<u>\$</u>
<b>Recapitulation of Excess (Deficiency) of Revenues Over (Under) Expenditures</b>					
Undesignated Fund Balance	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$ 13,397</u>	<u>\$</u>

**STATISTICAL SECTION**

**TOWNSHIP OF PITTSBURGH SCHOOL DISTRICT**  
**NET POSITION BY COMPONENT**  
**LAST TEN FISCAL YEARS**  
*(Accrual Basis of Accounting)*  
*(UNAUDITED)*

	Fiscal Year Ending June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Governmental Activities</b>										
Invested in Capital Assets, Net of Related Debt	\$ 6,510,492	\$ 6,149,213	\$ 6,180,402	\$ 6,573,146	\$ 4,898,127	\$ 6,760,829	\$ 6,745,097	\$ 7,022,729	\$ 6,724,953	\$ 6,458,397
Restricted	1,165,504	1,325,565	1,052,999	1,175,800	(156,922)	728,346	1,194,025	712,709	524,090	572,139
Unrestricted	(800,077)	(629,761)	(142,959)	(1,445,934)	27,182	(1,587,578)	(1,484,352)	(1,474,560)	(1,821,546)	(9,634,484)
<b>Total Governmental Activities Net Position</b>	<b>\$ 6,875,919</b>	<b>\$ 6,845,017</b>	<b>\$ 7,090,442</b>	<b>\$ 6,303,012</b>	<b>\$ 4,768,387</b>	<b>\$ 5,901,597</b>	<b>\$ 6,454,770</b>	<b>\$ 6,260,878</b>	<b>\$ 5,427,497</b>	<b>\$ (2,603,948)</b>
<b>Business-Type Activities</b>										
Invested in Capital Assets, Net of Related Debt	\$ 8,815	\$	\$	\$	\$	\$	\$ 20,045	\$ 35,724	\$ 37,274	\$ 51,950
Unrestricted	31,742	58,838	48,881	51,409	39,769	21,562	40,464	20,110	117,027	119,341
<b>Total Business-Type Activities Net Position</b>	<b>\$ 40,557</b>	<b>\$ 58,838</b>	<b>\$ 48,881</b>	<b>\$ 51,409</b>	<b>\$ 39,769</b>	<b>\$ 21,562</b>	<b>\$ 60,509</b>	<b>\$ 55,834</b>	<b>\$ 154,301</b>	<b>\$ 171,291</b>
<b>District-Wide</b>										
Invested in Capital Assets, Net of Related Debt	\$ 6,519,307	\$ 6,149,213	\$ 6,180,402	\$ 6,573,146	\$ 4,898,127	\$ 6,760,829	\$ 6,765,142	\$ 7,058,453	\$ 6,762,227	\$ 6,510,347
Restricted	1,165,504	1,325,565	1,052,999	1,175,800	(156,922)	728,346	1,194,025	712,709	524,090	572,139
Unrestricted	(768,335)	(570,923)	(94,078)	(1,394,525)	66,951	(1,566,016)	(1,443,888)	(1,454,450)	(1,704,519)	(9,515,143)
<b>Total District-Wide Net Position</b>	<b>\$ 6,916,476</b>	<b>\$ 6,903,855</b>	<b>\$ 7,139,323</b>	<b>\$ 6,354,421</b>	<b>\$ 4,808,156</b>	<b>\$ 5,923,159</b>	<b>\$ 6,515,279</b>	<b>\$ 6,316,712</b>	<b>\$ 5,581,798</b>	<b>\$ (2,432,657)</b>

Source: CAFR Schedule A-1

**TOWNSHIP OF PITTSBURGH SCHOOL DISTRICT**  
**CHANGES IN NET POSITION**  
**LAST TEN FISCAL YEARS**  
*(Accrual Basis of Accounting)*  
*(UNAUDITED)*

	Fiscal Year Ending June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Expenses</b>										
<b>Governmental activities</b>										
<b>Instruction</b>										
Regular	\$ 7,758,975	7,468,165	7,634,910	8,096,230	8,093,806	7,615,098	7,794,480	7,949,881	8,103,294	7,423,548
Special Education	1,410,174	1,472,185	1,390,199	1,477,034	1,754,533	1,976,525	1,997,959	2,090,259	2,216,980	2,391,672
Other Special Instruction	109,993	156,531	180,051	261,667	201,808	265,475	398,908	265,282	422,846	364,830
Other Instruction	461,377	394,801	416,452	444,710	411,566	335,613	375,583	378,190	385,895	421,645
<b>Support Services</b>										
Tuition	317,399	426,362	467,006	460,091	573,628	604,526	515,590	507,683	663,762	898,077
Student and Instruction Related Services	2,697,032	2,690,429	2,960,358	3,157,058	3,372,253	3,025,587	2,966,962	3,135,539	3,214,303	3,473,691
School Administrative Services	2,620,626	3,402,293	809,369	979,112	990,849	1,135,057	1,131,465	1,140,257	1,132,564	1,087,235
General Administrative Services	456,942	488,868	2,892,248	3,672,041	3,120,429	2,229,581	2,301,980	1,766,822	718,866	675,681
Central Services and Information Technology	823,228	870,273	725,035	901,986	1,031,326	706,497	877,653	1,019,483	1,000,428	908,061
Plant Operations and Maintenance	2,059,603	2,121,444	2,384,032	2,619,454	2,447,903	2,526,263	2,556,330	2,439,996	2,612,458	2,634,144
Pupil Transportation	938,589	1,087,651	1,199,962	1,208,280	1,349,597	1,445,650	1,612,043	1,947,403	1,841,265	1,906,356
Employee Benefits	4,276,577	5,596,365	5,859,781	5,571,117	6,121,465	5,912,097	6,287,693	6,666,212	7,155,865	9,882,865
Business and Other Support Services	127,394	290,324	221,515	82,774	27,685	128,856	394,902	58,088	83,854	43,180
Special Schools	60,102	65,925	72,884	73,440	56,746	101,308	93,866	91,592	96,324	30,078
Amortization of Debt Issue Costs	8,109	8,109	8,109	25,867	25,867	6,509	6,510	45,000		
Interest on Long-Term Debt	439,905	429,168	493,377	265,002	332,050	396,553	347,045	324,953	356,493	291,621
Unallocated Depreciation and Amortization	644,806	676,823	872,321	943,646	2,000,447	1,191,857	1,214,157	1,249,822	1,306,380	1,212,606
<b>Total Governmental Activities Expenses</b>	<b>25,210,831</b>	<b>27,645,716</b>	<b>28,587,609</b>	<b>30,239,509</b>	<b>31,911,958</b>	<b>29,603,052</b>	<b>30,873,126</b>	<b>31,076,462</b>	<b>31,311,577</b>	<b>33,645,290</b>
<b>Business-Type Activities</b>										
Food Service	749,039	784,383	846,267	859,983	832,174	773,902	779,706	735,073	686,032	712,623
Child Care	121,936	159,021	148,074	141,889	129,659	145,651	145,301	155,308	114,019	128,494
<b>Total Business-Type Activities Expense</b>	<b>870,975</b>	<b>943,404</b>	<b>994,341</b>	<b>1,001,872</b>	<b>961,833</b>	<b>919,553</b>	<b>925,007</b>	<b>890,381</b>	<b>800,051</b>	<b>841,117</b>
<b>Total District Expenses</b>	<b>\$ 26,081,806</b>	<b>28,589,120</b>	<b>29,581,950</b>	<b>31,241,381</b>	<b>32,873,791</b>	<b>30,522,605</b>	<b>31,798,133</b>	<b>31,966,843</b>	<b>32,111,628</b>	<b>34,486,407</b>
<b>Program Revenues</b>										
<b>Governmental Activities</b>										
Charges for Services	\$ 2,475,167	3,529,557	3,521,345	3,685,495	3,446,323	2,191,212	2,588,390	2,063,004	1,007,820	678,792
Operating Grants and Contributions	2,821,686	3,544,144	3,649,039	2,407,917	2,688,851	2,528,490	2,817,784	3,237,389	2,984,638	5,800,175
<b>Total Governmental Activities Prog. Revenues</b>	<b>5,296,853</b>	<b>7,073,701</b>	<b>7,170,384</b>	<b>6,093,412</b>	<b>6,135,174</b>	<b>4,719,702</b>	<b>5,406,174</b>	<b>5,300,393</b>	<b>3,992,458</b>	<b>6,478,967</b>
<b>Business-Type Activities</b>										
Charges for Services										
Food Service	456,659	464,742	484,560	489,920	473,046	409,787	425,683	384,801	388,776	374,179
Child Care	119,934	174,687	139,256	146,065	120,408	159,006	150,346	134,954	144,876	128,520
Operating Grants and Contributions	282,478	293,220	300,431	316,876	345,128	320,949	327,310	329,207	364,674	354,947
<b>Total Business-Type Activities Prog. Revenues</b>	<b>859,071</b>	<b>932,649</b>	<b>924,247</b>	<b>952,861</b>	<b>938,582</b>	<b>889,742</b>	<b>907,339</b>	<b>848,962</b>	<b>898,326</b>	<b>857,646</b>
<b>Total District Program Revenues</b>	<b>\$ 6,155,924</b>	<b>8,006,350</b>	<b>8,094,631</b>	<b>7,046,273</b>	<b>7,073,756</b>	<b>5,609,444</b>	<b>6,309,513</b>	<b>6,149,355</b>	<b>4,890,784</b>	<b>7,336,613</b>
<b>Net (Expense)/Revenue</b>										
<b>Governmental Activities</b>	\$ (19,913,978)	(20,572,015)	(21,417,225)	(24,146,097)	(25,776,784)	(24,883,350)	(25,466,952)	(25,776,069)	(27,319,119)	(27,166,323)
<b>Business-Type Activities</b>	(11,904)	(10,755)	(70,094)	(49,011)	(23,251)	(29,811)	(21,668)	(41,419)	98,275	16,529
<b>Total District-Wide Net Expense</b>	<b>\$ (19,925,882)</b>	<b>(20,582,770)</b>	<b>(21,487,319)</b>	<b>(24,195,108)</b>	<b>(25,800,035)</b>	<b>(24,913,161)</b>	<b>(25,488,620)</b>	<b>(25,817,488)</b>	<b>(27,220,844)</b>	<b>(27,149,794)</b>
<b>General Revenues and Other Changes in Net Position</b>										
<b>Governmental Activities</b>										
Property Taxes Levied for General Purposes, net	\$ 8,020,549	8,164,880	8,461,511	8,345,144	8,625,275	8,483,060	8,483,060	8,826,602	9,003,134	9,296,979
Taxes Levied for Debt Service	399,688	399,688	370,652	449,121	454,880	583,860	573,888	606,352	542,035	503,085
Unrestricted Grants and Contributions	10,524,806	10,525,828	10,996,417	12,612,748	13,276,946	13,956,827	13,752,737	13,216,567	13,772,056	13,842,223
Tuition Received	1,296,025	1,336,190	1,499,984	1,578,018	1,663,587	2,766,329	3,040,004	3,034,238	3,168,286	3,150,646
Investment Earnings	96,340	137,988	91,921	30,284	24,855	17,399	11,597	6,772	6,478	7,005
Miscellaneous Income	275,730	295,035	237,759	260,955	207,616	220,085	260,398	256,373	122,358	406,903
Gain on Defeasement of Debt				132,873			6,568			
Accrued Interest and Fixed Asset Adjustments	(114,933)	(308,020)	14,882							
Cancellation of Accounts Receivable/Payable							(6,341)	(61,129)	(65,507)	
Transfer to Charter School	(8,478)						(41,906)	(183,845)	(54,085)	
Transfers	(57,300)	(10,476)	(10,476)	(50,476)		(11,000)	(59,880)	(36,557)	(9,017)	(27,478)
<b>Total Governmental Activities</b>	<b>20,432,427</b>	<b>20,541,113</b>	<b>21,662,650</b>	<b>23,358,667</b>	<b>24,253,159</b>	<b>26,016,560</b>	<b>26,020,125</b>	<b>25,665,373</b>	<b>26,485,738</b>	<b>27,179,363</b>
<b>Business-Type Activities</b>										
Investment Earnings	2,088	6,560	4,038	1,063	611	604	735	187	192	461
Miscellaneous Income		12,000	12,732							
Prior Year Adjustments	(37,852)		32,891							
Transfer	57,300	10,476	10,476	50,476		11,000	59,880	36,557		
<b>Total Business-Type Activities</b>	<b>21,536</b>	<b>29,036</b>	<b>60,137</b>	<b>51,539</b>	<b>611</b>	<b>11,604</b>	<b>60,615</b>	<b>36,744</b>	<b>192</b>	<b>461</b>
<b>Total District-Wide</b>	<b>\$ 20,453,963</b>	<b>20,570,149</b>	<b>21,722,787</b>	<b>23,410,206</b>	<b>24,253,770</b>	<b>26,028,164</b>	<b>26,080,740</b>	<b>25,702,117</b>	<b>26,485,930</b>	<b>27,179,824</b>
<b>Change in Net Position</b>										
<b>Governmental Activities</b>	\$ 518,449	(30,902)	245,425	(787,430)	(1,523,625)	1,133,210	553,173	(110,696)	(833,381)	13,040
<b>Business-Type Activities</b>	9,632	18,281	(9,957)	2,528	(22,640)	(18,207)	38,947	(4,675)	98,467	16,990
<b>Total District-Wide</b>	<b>\$ 528,081</b>	<b>(12,621)</b>	<b>235,468</b>	<b>(784,902)</b>	<b>(1,546,265)</b>	<b>1,115,003</b>	<b>592,120</b>	<b>(115,371)</b>	<b>(734,914)</b>	<b>30,030</b>

Source: CAFR Schedule A-2

**TOWNSHIP OF PITTSBURGH SCHOOL DISTRICT**  
**FUND BALANCES - GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
*(Modified Accrual Basis of Accounting)*  
*(UNAUDITED)*

	Fiscal Year Ending June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Fund										
Restricted	\$ 1,126,229	\$ 1,130,674	\$ 1,318,264	\$ 1,059,301	\$ 543,765	\$ 244,210	\$ 607,456	\$ 562,392	\$	\$
Capital Reserve									2,721	2,731
Assigned:										
Year-end Encumbrances									155,349	67,770
Subsequent Year's Expenditures									200,000	338,000
Unrestricted	80,918	13,687	(67,668)	(756,755)	(1,032,703)	(806,569)	(700,726)	(778,052)	(810,199)	(855,638)
<b>Total General Fund</b>	<b>\$ 1,207,147</b>	<b>\$ 1,144,361</b>	<b>\$ 1,250,596</b>	<b>\$ 302,546</b>	<b>\$ (488,938)</b>	<b>\$ (562,359)</b>	<b>\$ (93,270)</b>	<b>\$ (215,660)</b>	<b>\$ (452,129)</b>	<b>\$ (447,137)</b>
All Other Governmental Funds										
Restricted	\$ 89,335	\$	\$	\$	\$ 2,503,077	\$	\$	\$	\$	\$
Unrestricted, Reported in:										
Special Revenue Fund	(16,388)	(16,388)	(21,311)	(6,930)	(6,930)	(6,930)	(6,930)	(6,930)	(6,930)	(6,930)
Capital Projects Fund	60,584	114,382	112,254	112,254	(693,611)	385,035	395,953	66,265	66,265	65,849
Debt Service Fund	31,005		2	3	23,832	23,832	2	2	13,397	13,397
Permanent Fund	64,911	71,525	75,982	77,675	79,666	82,199	91,252	90,980	93,288	91,322
<b>Total All Other Governmental Funds</b>	<b>\$ 229,447</b>	<b>\$ 169,519</b>	<b>\$ 166,927</b>	<b>\$ 183,002</b>	<b>\$ 1,906,034</b>	<b>\$ 484,136</b>	<b>\$ 480,277</b>	<b>\$ 150,317</b>	<b>\$ 166,020</b>	<b>\$ 163,638</b>

Source: CAFR Schedule B-1

**TOWNSHIP OF PITTSBORO SCHOOL DISTRICT**  
**CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
*(UNAUDITED)*

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Revenues</b>										
Tax Levy	\$ 8,420,237	\$ 8,564,568	\$ 8,832,163	\$ 8,794,265	\$ 9,080,155	\$ 9,066,920	\$ 9,056,948	\$ 9,432,954	\$ 9,545,169	\$ 9,800,064
Tuition Charges	1,296,025	1,336,190	1,499,984	1,578,018	1,663,587	2,766,329	3,030,411	3,034,238	3,168,286	3,126,181
Tuition from State of New Jersey							9,593			24,465
Rent										
Interest Earnings	95,854	137,988	91,894	30,284	24,855	17,399	11,597	6,772	6,478	7,005
Miscellaneous	279,898	303,225	244,638	267,644	207,616	220,085	260,398	356,756	174,358	226,903
State Sources	12,310,952	13,159,024	13,766,835	14,213,812	12,974,281	15,606,741	15,317,128	15,651,284	15,902,514	16,284,981
Federal Sources	1,027,497	902,715	871,742	800,166	2,991,516	878,576	1,253,393	802,672	854,180	779,501
Local Sources										
<b>Total Revenues</b>	<b>23,430,463</b>	<b>24,403,710</b>	<b>25,307,256</b>	<b>25,684,189</b>	<b>26,942,010</b>	<b>28,556,050</b>	<b>28,939,468</b>	<b>29,284,676</b>	<b>29,650,985</b>	<b>30,249,100</b>
<b>Expenditures</b>										
<b>Instruction</b>										
Regular Instruction	7,758,975	7,563,231	7,634,910	8,096,231	8,190,926	7,659,818	7,583,063	7,900,047	8,015,101	7,778,021
Special Education Instruction	1,410,174	1,472,185	1,390,199	1,477,034	1,754,533	1,976,525	1,997,959	2,090,259	2,216,980	2,391,672
Other Special Instruction	109,993	156,531	180,051	261,667	201,808	265,475	398,908	265,282	422,846	364,830
Other Instruction	461,377	394,801	416,452	444,710	411,566	335,613	375,583	378,190	385,895	421,645
<b>Support Services</b>										
Tuition	317,399	426,362	467,006	460,091	573,628	604,526	515,590	507,683	663,762	898,077
Student and Instruction Related Services	2,486,040	2,211,908	2,581,781	2,753,777	2,930,502	2,809,023	2,889,590	3,013,574	3,105,515	3,290,208
School Administrative Services	767,926	737,755	809,369	979,112	990,849	1,135,057	1,131,465	1,140,257	1,132,564	1,087,235
General Administrative Services	456,942	488,868	543,214	509,884	648,049	559,092	525,446	541,473	655,238	661,002
Central Services and Information Tech	823,228	870,273	725,035	767,403	786,096	693,832	770,183	754,783	724,659	699,196
Plant Operations and Maintenance	2,040,918	2,111,635	2,268,645	2,499,609	2,410,917	2,508,084	2,580,069	2,709,377	2,589,199	2,576,302
Pupil Transportation	1,040,497	1,037,745	1,281,853	1,223,458	1,357,368	1,262,832	1,528,691	1,741,610	1,572,887	1,545,518
Business and Other Support Services										
Unallocated Employee Benefits	4,389,189	5,657,445	5,764,717	5,549,810	6,124,014	5,938,758	6,267,598	6,658,694	7,123,962	7,318,839
Special Schools	60,102	65,925	72,884	73,440	56,746	101,308	93,866	91,592	96,324	30,078
Capital Outlay	4,321,312	575,601	1,371,952	1,224,172	856,466	3,291,389	1,929,261	907,015	312,914	375,761
Debt Service										
Principal	537,876	538,533	366,254	478,078	534,929	536,923	579,021	611,278	578,648	530,000
Interest and Other Charges	453,551	425,850	398,603	378,668	296,895	362,114	339,215	319,631	266,240	250,628
<b>Total Expenditures</b>	<b>27,435,499</b>	<b>24,734,648</b>	<b>26,272,925</b>	<b>27,177,144</b>	<b>28,125,292</b>	<b>30,040,369</b>	<b>29,505,508</b>	<b>29,630,745</b>	<b>29,862,734</b>	<b>30,219,012</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(4,005,036)	(330,938)	(965,669)	(1,492,955)	(1,183,282)	(1,484,319)	(566,040)	(346,069)	(211,749)	30,088
<b>Other Financing Sources (Uses)</b>										
Transfer to Charter School	(8,478)						(41,906)	(183,845)	(9,017)	(27,478)
Capital Lease (Non-budgeted)	346,534	218,700	1,081,916	611,456	269,830		1,133,056	114,121		
Bond Proceeds					1,856,000					
Transfers	(57,300)	(10,476)	(12,604)	(50,476)	(11,000)	(11,000)	(59,880)	(36,557)		
<b>Total Other Financing Sources (Uses)</b>	<b>280,756</b>	<b>208,224</b>	<b>1,069,312</b>	<b>560,980</b>	<b>2,114,830</b>	<b>(11,000)</b>	<b>1,031,270</b>	<b>(106,281)</b>	<b>(9,017)</b>	<b>(27,478)</b>
<b>Net Change in Fund Balances</b>	<b>\$ (3,724,280)</b>	<b>\$ (122,714)</b>	<b>\$ 103,643</b>	<b>\$ (931,975)</b>	<b>\$ 931,548</b>	<b>\$ (1,495,319)</b>	<b>\$ 465,230</b>	<b>\$ (452,350)</b>	<b>\$ (220,766)</b>	<b>\$ 2,610</b>
Debt Service as a Percentage of Noncapital Expenditures	4.3%	4.0%	3.1%	3.3%	3.1%	3.4%	3.3%	3.2%	2.9%	2.6%

Source: CAFR Schedule B-2

**TOWNSHIP OF PITTSBURGH SCHOOL DISTRICT**  
**GENERAL FUND OTHER LOCAL REVENUE BY SOURCE**  
**LAST TEN FISCAL YEARS**  
*(UNAUDITED)*

<u>Fiscal Year</u> <u>Ended</u> <u>June 30,</u>	<u>Interest on</u> <u>Investments</u>	<u>Tuition</u> <u>Revenue</u>	<u>Rentals</u> <u>and Use</u> <u>of</u> <u>Facilities</u>	<u>Prior Year</u> <u>Tuition</u>	<u>Services</u> <u>to Other</u> <u>LEAs</u>	<u>Refund of</u> <u>Prior Year</u> <u>Expenditure</u>	<u>Insurance</u> <u>Refunds and</u> <u>Settlement</u>	<u>Athletic</u> <u>Receipts</u>	<u>Energy</u> <u>Admin</u> <u>Fee</u>	<u>Sale of</u> <u>Paper</u>	<u>Misc.</u>	<u>Total</u>
2015	\$ 6,611	\$ 3,150,646	\$ 2,480	\$	\$	\$ 3,858	\$ 512	\$ 15,373	\$ 37,266	\$ 52,000	\$ 100,173	\$ 3,368,919
2014	6,044	3,168,286	1,260			29,604	11,118	19,137	43,614	52,000	11,995	3,343,058
2013	6,375	3,034,238	2,200	27,200	109,713	2,099	237	13,901	83,173	100,383	15,839	3,395,358
2012	9,998	3,040,004	5,992	21,530	107,562	24,269	982	12,776	47,735		1,079	3,271,927
2011	10,700	2,766,329	16,288	32,977	73,900	7,926	4,341	15,028	45,651		12,329	2,985,469
2010	14,748	1,663,587	15,792	19,205	105,917	500	11,004	14,038	26,674		3,701	1,875,166
2009	27,105	1,578,018	14,505	870	130,963	17,311	32,536	15,162	38,202		7,091	1,861,763
2008	76,102	1,499,984	11,251	527	126,267	18,041	39,459	23,359	14,087		18	1,809,095
2007	137,988	1,336,190	15,137	49,024	143,838	29,687	21,665	13,822			30,052	1,777,403
2006	95,854	1,296,025	13,155	6,046	95,445	16,186	33,953	18,634		80,000	16,479	1,671,777

Source: District Records

**TOWNSHIP OF PITTSBORO SCHOOL DISTRICT**  
**ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY**  
**LAST TEN FISCAL YEARS**  
 (UNAUDITED)

<b>Fiscal Year Ended June 30,</b>	<b>Vacant Land</b>	<b>Residential</b>	<b>Farm Reg.</b>	<b>Qfarm</b>	<b>Commercial</b>	<b>Total Assessed Value</b>	<b>Public Utilities <sup>a</sup></b>	<b>Net Valuation Taxable</b>	<b>Total Direct School Tax Rate <sup>p</sup></b>	<b>Estimated Actual (County Equalized Value)</b>
2015	\$ 14,561,600	\$ 481,563,100	\$ 50,877,100	\$ 5,521,200	\$ 51,929,100	\$ 604,452,100	\$ 1,084,474	\$ 605,536,574	1.657	\$ 641,500,415 <sup>c</sup>
2014	14,454,600	481,609,800	51,345,600	5,533,100	52,552,800	605,495,900	1,063,370	606,559,270	1.595	632,887,385
2013	15,019,300	481,690,300	51,248,500	5,357,000	52,672,700	605,987,800	1,432,898	607,420,698	1.563	640,468,893
2012	15,634,200	479,213,600	52,128,600	5,404,900	52,936,800	605,318,100	1,488,950	606,807,050	1.524	656,677,416
2011	15,819,000	479,494,800	52,294,400	5,540,200	52,603,300	605,751,700	1,527,972	607,279,672	1.492	674,374,498
2010	15,784,300	478,832,100	53,269,500	5,502,600	51,823,700	605,212,200	1,831,644	607,043,844	1.495	711,299,851
2009	16,928,800	475,124,900	51,948,000	5,531,700	51,299,600	600,833,000	1,813,634	602,646,634	1.468	724,793,252
2008	16,892,800	471,670,200	53,651,800	5,236,200	51,371,500	598,822,500	1,628,094	600,450,594	1.468	745,017,560
2007	18,678,500	463,937,500	51,587,700	5,251,400	53,041,200	592,496,300	1,674,563	594,170,863	1.464	735,143,635
2006	20,531,200	452,487,700	50,310,800	5,270,700	53,660,200	582,260,600	1,815,309	584,075,909	1.398	599,495,883

Source: District records Tax list summary & Municipal Tax Assessor

**Note:** Real property is required to be assessed at some percentage of true value (fair or market value) established by each county board of taxation.

Reassessment occurs when ordered by the County Board of Taxation

**a** Taxable Value of Machinery, Implements and Equipment of Telephone, Telegraph and Messenger System Companies

**b** Tax rates are per \$100

**c** Estimate

**TOWNSHIP OF PITTSGROVE SCHOOL DISTRICT**  
**DIRECT AND OVERLAPPING PROPERTY TAX RATES**  
**LAST TEN FISCAL YEARS**  
*(Rate Per \$100 of Assessed Value)*  
*(UNAUDITED)*

Year Ended June 30,	Pittsgrove Township Board of Education			Overlapping Rates			Total
	Basic Rate <sup>a</sup>	General Obligation Debt Service <sup>b</sup>	Total Direct	Pittsgrove Township	Salem County	Municipal Open Space	
2015	\$ 1.572	\$ 0.085	\$ 1.657	\$ 0.299	\$ 1.06	\$ 0.010	\$ 3.026
2014	1.505	0.090	1.595	0.281	1.012	0.010	2.898
2013	1.463	0.100	1.563	0.280	1.019	0.010	2.872
2012	1.427	0.097	1.524	0.261	1.019	0.015	2.819
2011	1.396	0.096	1.492	0.216	0.994	0.030	2.732
2010	1.420	0.075	1.495	0.216	1.034	0.030	2.775
2009	1.406	0.076	1.482	0.216	1.068	0.030	2.796
2008	1.406	0.062	1.468	0.238	1.150	0.031	2.887
2007	1.386	0.068	1.454	0.253	1.013	0.030	2.750
2006	1.332	0.066	1.398	0.253	1.013	0.030	2.694

Source: District Records and Municipal Tax Collector

**Note:**

NJSA 18A:7F-5d limits the amount that the district can submit for a general fund tax levy . The levy when added to other components of the district's net budget may not exceed the prebudget year net budget by more than the spending growth limitation calculation.

**a** The district's basic tax rate is calculated from the A4F form which is submitted with the budget and the Net Valuation Taxable.

**b** Rates for debt service are based on each year's requirements.

**TOWNSHIP OF PITTSGROVE SCHOOL DISTRICT**  
**PRINCIPAL PROPERTY TAXPAYERS**  
**CURRENT YEAR AND NINE YEARS AGO**  
*(UNAUDITED)*

Taxpayer	2015			2006		
	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value
Nancy-Lee Inc.	\$ 5,742,000	1	0.95%	\$ 5,742,000	1	1.00%
LJK Golf LLC	4,118,400	2	0.68%			
Bifulco Brothers	4,028,500	3	0.67%	2,199,500	6	0.38%
Rainbow of NJ	2,719,000	4	0.45%	2,719,000	4	0.48%
Taxpayer #1	2,152,800	5	0.36%	2,306,500	5	0.40%
Taxpayer #2			0.00%	1,802,800	10	0.32%
Windover LLC	2,015,200	6	0.33%	2,015,200	8	0.35%
PAR 3 Management LLC	1,790,000	7	0.30%			
Mayerfeld Farms & Supply Co. Inc.			0.00%			
T&T Management LLC		9	0.00%			
Running Deer Golf Co.				4,548,200	2	0.80%
K. Hovnanian at Pittsgrove, LLC				2,004,000	9	0.35%
Eatmor Market				2,168,400	7	0.38%
DEP c/o Sway Golf, Inc. (1)				3,298,900	3	0.58%
Taxpayer #3	1,735,300	8				
Taxpayer #4	1,664,700	10				
<b>Total</b>	<b>\$ 25,965,900</b>		<b>2.78%</b>	<b>\$ 28,804,500</b>		<b>5.04%</b>

Source: Municipal Tax Assessor  
 (1) Formerly Centerton Golf Club

**TOWNSHIP OF PITTSBORO SCHOOL DISTRICT**  
**PROPERTY TAX LEVIES AND COLLECTIONS**  
**LAST TEN FISCAL YEARS**  
*(UNAUDITED)*

<b>Fiscal Year Ended June 30,</b>	<b>Taxes Levied for the Fiscal Year</b>	<b>Collected Within the Fiscal Year of the Levy</b>		<b>Collections in Subsequent Years</b>
		<b>Amount</b>	<b>% of Levy</b>	
2015	\$ 9,296,979	\$ 9,296,979	100.00%	\$
2014	9,545,169	9,545,169	100.00%	
2013	9,545,169	9,545,169	100.00%	
2012	9,056,948	9,056,948	100.00%	
2011	9,066,921	9,066,921	100.00%	
2010	9,080,155	9,080,155	100.00%	
2009	8,794,265	8,794,265	100.00%	
2008	8,832,163	8,832,163	100.00%	
2007	8,564,256	8,564,256	100.00%	
2006	8,420,237	8,420,237	100.00%	

Source: District records including the Certificate and Report of School Taxes (A4F form)

**Note:**

**TOWNSHIP OF PITTSBORO SCHOOL DISTRICT**  
**RATIOS OF OUTSTANDING DEBT BY TYPE**  
**LAST TEN FISCAL YEARS**  
*(UNAUDITED)*

Fiscal Year Ended June 30,	Governmental Activities			Business-Type Activities		Total District	Percentage of Personal Income	Per Capita <sup>a</sup>
	General Obligation Bonds <sup>b</sup>	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases				
2015	\$ 6,381,000	\$ 1,846,717	\$	\$	\$ 8,227,717	2.09%	\$ 897 *	
2014	6,911,000	2,456,640			9,367,640	2.41%	1,022	
2013	7,489,648	2,456,640			9,946,288	2.57%	1,079	
2012	8,024,925	2,806,909			10,831,834	2.80%	1,164	
2011	8,603,946	1,785,491			10,389,437	2.70%	1,110	
2010	9,140,869	2,000,764			11,141,633	2.91%	1,153	
2009	7,819,798	2,102,572			9,922,370	2.67%	1,040	
2008	8,352,876	1,792,501			10,145,377	2.81%	1,099	
2007	8,719,130	1,156,493			9,875,623	2.87%	1,062	
2006	9,257,663	1,345,147			10,602,810	3.19%	1,129	

\* Estimate

Source: District CAFR Schedules I-1, I-2

Note: Details regarding the district's outstanding debt can be found in the notes to the financial statements.

- a See Exhibit NJ J-13 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.
- b Includes Early Retirement Incentive Plan (ERIP) refunding

**TOWNSHIP OF PITTSBORO SCHOOL DISTRICT**  
**RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING**  
**LAST TEN FISCAL YEARS**  
*(UNAUDITED)*

Fiscal Year Ended June 30,	General Bonded Debt Outstanding		Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value <sup>a</sup> of Property	Per Capita <sup>b</sup>
	General Obligation Bonds	Deductions			
2015	\$ 6,381,000	\$	\$ 6,381,000	0.99%	\$ 695 *
2014	6,911,000		6,911,000	1.09%	754
2013	7,489,648		7,489,648	1.17%	812
2012	8,024,925		8,024,925	1.22%	862
2011	8,603,946		8,603,946	1.21%	919
2010	9,140,869		9,140,869	1.26%	975
2009	7,819,798		7,819,798	1.08%	825
2008	8,352,876		8,352,876	1.12%	882
2007	8,719,130		8,719,130	1.19%	922
2006	9,257,663		9,257,663	1.54%	979

\* Estimate

**Note:** Details regarding the district's outstanding debt can be found in the notes to the financial statements.

a See Exhibit NJ J-6 for property tax data.

b Population data can be found in Exhibit NJ J-14.

If a district has resources that are restricted to repaying the principal of debt outstanding, these amounts should be shown in a separate column "Deductions" and be subtracted from the total, and the schedule should be named ratios of net general bonded debt outstanding.

**TOWNSHIP OF PITTSGROVE SCHOOL DISTRICT**  
**RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT**  
**AS OF JUNE 30, 2015**  
*(UNAUDITED)*

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable <sup>a</sup></u>	<u>Estimated Share of Overlapping Debt</u>
<b>Debt repaid with property taxes</b>			
Pittsgrove Township	\$ 1,089,060	100%	\$ 1,089,060
<b>Other debt</b>			
County of Salem - Township's Share	40,278,964	12.2%	4,907,246
Salem County Improvement Authority	1,695,000	12.2%	206,504
Subtotal, Overlapping Debt			<u>6,202,811</u>
<b>Pittsgrove Township School District Direct Debt</b>			<u>6,381,000</u>
<b>Total Direct and Overlapping Debt</b>			<u><u>\$ 12,583,811</u></u>

**Sources:** Pittsgrove Township Finance Officer and Salem County Finance Office

**Note:** Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the District. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of Pittsgrove. This process recognizes that, when considering the District's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping payment.

**a** For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable value that is within the district's boundaries and dividing it by each unit's total taxable value.

**TOWNSHIP OF PITTSBURGH SCHOOL DISTRICT  
LEGAL DEBT MARGIN INFORMATION  
LAST TEN FISCAL YEARS  
(UNAUDITED)**

**Legal Debt Margin Calculation for Fiscal Year 2014**

	Equalized Valuation Basis	
	2014	\$ 639,653,391
	2013	632,291,110
	2012	638,251,898
	<b>[A]</b>	<b>\$ 1,910,196,399</b>
Average Equalized Valuation of Taxable Property	<b>[A/3]</b>	<b>\$ 636,732,133</b>
Debt Limit (4% of Average Equalization Value)	<b>[B]</b>	<b>\$ 25,469,285</b>
Net Bonded School Debt	<b>[C]</b>	<b>6,381,000</b>
Legal Debt Margin	<b>[B-C]</b>	<b>\$ 19,088,285</b>

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Debt Limit	\$ 21,036,495	\$ 23,744,900	\$ 26,459,533	\$ 28,229,424	\$ 28,713,938	\$ 27,866,713	\$ 27,011,045	\$ 26,157,926	\$ 25,656,112	\$ 25,469,285
Total Net Debt Applicable to Limit	9,257,663	8,719,130	8,352,876	7,819,798	2,010	8,603,946	8,024,925	7,489,648	6,911,000	6,381,000
Legal Debt Margin	\$ 11,778,832	\$ 15,025,770	\$ 18,106,657	\$ 20,409,626	\$ 28,711,928	\$ 19,262,767	\$ 18,986,120	\$ 18,668,278	\$ 10,029,573	\$ 19,088,285
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	44.01%	36.72%	31.57%	27.70%	0.01%	30.88%	29.71%	28.63%	26.94%	25.05%

Source: Abstract of Ratables and District Records CAFR Schedule J-7

a Limit set by NJSA 18A:24-19 for a K through 12 district; other % limits would be applicable for other districts

**TOWNSHIP OF PITTSBORO SCHOOL DISTRICT**  
**DEMOGRAPHIC AND ECONOMIC STATISTICS**  
**LAST TEN FISCAL YEARS**  
*(UNAUDITED)*

<u>Year</u>	<u>Population <sup>a</sup></u>	<u>Personal Income (thousands of dollars) <sup>b</sup></u>	<u>Per Capita Personal Income <sup>c</sup></u>	<u>Unemployment Rate <sup>d</sup></u>
2015	** 9,175	\$ 393,067,457	\$ 42,841	** 7.5%
2014	9,169	388,921,198	42,417	7.9%
2013	9,221	387,254,337	41,997	5.8%
2012	9,306	386,664,300	41,550	9.7%
2011	9,363	385,175,094	41,138	9.5%
2010	9,378	372,222,198	39,691	10.0%
2009	9,475	369,269,175	38,973	9.5%
2008	9,471	370,259,274	39,094	5.5%
2007	9,453	349,931,154	37,018	4.3%
2006	9,461	334,730,180	35,380	4.4%

**Source:**

<sup>a</sup> Population information provided by the NJ Dept of Labor and Workforce Development

<sup>b</sup> Personal income

<sup>c</sup> Per Capita

<sup>d</sup> Unemployment data provided by the NJ Dept of Labor and Workforce Development

\*\* Estimate

**TOWNSHIP OF PITTSBORO SCHOOL DISTRICT**  
**PRINCIPAL EMPLOYERS**  
**CURRENT YEAR AND NINE YEARS AGO**  
*(UNAUDITED)*

<u>Employer</u>	<u>2015</u>		<u>2006</u>	
	<u>Employees</u>	<u>Percentage of Total Employment</u>	<u>Employees</u>	<u>Percentage of Total Employment</u>
PSEG	1,300			
E.I. DUPONT	1,250			
MANNINGTON MILLS	826			
MEMORIAL HOSPITAL OF SALEM COUNTY	600			
ATLANTIC CITY ELECTRIC	426			
R.E. PIERSON CONSTRUCTION	400			
ANCHOR GLASS	261			
MC LANE NJ	352			
ELMER HOSPITAL	350			
WAL-MART	256			

Source:

**TOWNSHIP OF PITTSBORO SCHOOL DISTRICT**  
**FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM**  
**LAST TEN FISCAL YEARS**  
*(UNAUDITED)*

<b><u>Function/Program</u></b>	<b><u>2006</u></b>	<b><u>2007</u></b>	<b><u>2008</u></b>	<b><u>2009</u></b>	<b><u>2010</u></b>	<b><u>2008</u></b>	<b><u>2012</u></b>	<b><u>2013</u></b>	<b><u>2014</u></b>	<b><u>2015</u></b>
Instruction										
Regular	145.50	142.00	136.50	135.50	127.50	145.50	128.00	129.00	129.00	130.00
Special education	13.50	21.00	24.00	25.10	25.10	13.50	25.10	26.00	26.00	33.80
Support Services:										
Student & instruction related services	33.45	28.50	24.30	36.00	38.50	33.20	38.50	38.50	38.50	31.00
General administrative services	4.00	4.00	4.00	3.50	2.50	9.00	2.50	2.50	2.50	2.50
School administrative services	14.00	13.00	15.50	16.00	14.00	14.00	14.00	14.00	14.00	11.00
Central services	5.50	8.00	10.50	10.00	6.50	5.50	5.50	5.50	5.00	5.00
Administrative information technology	1.00	4.00	4.00	4.50	4.50	1.00	4.50	4.50	4.50	2.50
Plant operations and maintenance	20.75	20.00	16.20	19.00	19.00	19.75	19.00	19.00	12.00	8.00
Pupil transportation	13.00	19.00	23.70	32.00	24.00	13.00	24.00	24.00	29.00	29.00
<b>Total</b>	<b>250.70</b>	<b>259.50</b>	<b>258.70</b>	<b>281.60</b>	<b>261.60</b>	<b>254.45</b>	<b>261.10</b>	<b>263.00</b>	<b>260.50</b>	<b>252.80</b>

**Source:** District Personnel Records

**TOWNSHIP OF PITTSBURGH SCHOOL DISTRICT**  
**OPERATING STATISTICS**  
**LAST TEN FISCAL YEARS**  
*(UNAUDITED)*

Fiscal	Enrollment	Operating Expenditures (1)	Cost Per Pupil	Percentage Change	Teaching Staff (2)	Pupil/Teacher Ratio				Average Daily Enrollment (ADE) (3)	Average Daily Attendance (ADA) (3)	% Change in Average Daily Enrollment	Student Attendance Percentage
						Pre K & K	Elementary	Middle School	High School				
2015	1,801	\$ 29,843,251	\$ 16,570	1.05%	155.00	1 : 14.0	1 : 13.0	1 : 13.0	1 : 12.0	1,668	1,609	-4.30%	96.46%
2014	1,802	29,549,820	16,398	2.82%	155.00	1 : 14.0	1 : 13.0	1 : 8.0	1 : 7.0	1,743	1,678	1.36%	96.27%
2013	1,801	28,723,730	15,949	4.97%	155.00	1 : 14.8	1 : 16.6	1 : 11.4	1 : 11.7	1,720	1,646	-1.29%	95.69%
2012	1,815	27,576,247	15,194	7.41%	155.00	1 : 15.4	1 : 15.2	1 : 12.4	1 : 11.3	1,742	1,665	-5.12%	95.58%
2011	1,891	26,748,980	14,145	-0.85%	150.80	1 : 14.5	1 : 11.2	1 : 10.7	1 : 10.4	1,836	1,753	2.91%	95.48%
2010	1,853	26,437,002	14,267	5.12%	152.60	1 : 14.0	1 : 17.0	1 : 16.0	1 : 15.7	1,784	1,704	-0.61%	95.52%
2009	1,849	25,096,226	13,573	8.98%	166.50	1 : 7.7	1 : 8.8	1 : 9.0	1:08.7	1,795	1,704	-3.97%	94.93%
2008	1,938	24,136,116	12,454	7.28%	151.50	1:14.9	1:13.4	1:12.0	1:13.4	1,869	1,765	-3.30%	94.43%
2007	1,998	23,194,664	11,609	1.01%	143.00	1:18.7	1:12.9	1:13.6	1:12.6	1,933	1,827	0.16%	94.52%
2006	1,925	22,122,760	11,492	2.76%	147.90	1:17.2	1:12.2	1:13.2	1:13.0	1,930	1,825	4.77%	94.56%

Sources: District records, ASSA and Schedules J-12, J-14

Note: Enrollment based on annual October district count.

- (1) Operating expenditures equal total expenditures less debt service and capital outlay; Schedule J-4
- (2) Teaching staff includes only full-time equivalents of certificated staff. 2006 information obtained from the fall survey.
- (3) Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).

**TOWNSHIP OF PITTSBURGH SCHOOL DISTRICT**  
**SCHOOL BUILDING INFORMATION**  
**LAST TEN FISCAL YEARS**  
*(UNAUDITED)*

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
<b>District Building</b>										
<b>Elementary</b>										
Norma School (1953, 1994)										
Square Feet	22,110	22,110	22,110	22,110	22,110	22,110	22,110	22,110	22,110	22,110
Capacity (students)	135	135	135	135	135	135	135	135	135	135
Enrollment	155.4	178.5	174.4	155.2	173.9	189.5	168.0	187.0	188.0	189.0
Olivet School (1930, 1957, 1966, 1992)										
Square Feet	56,659	56,659	56,659	56,659	56,659	56,659	56,659	56,659	56,659	56,659
Capacity (students)	630	630	630	630	630	630	630	630	630	630
Enrollment	342.0	362.8	367.8	384.6	406.0	425.2	441.0	476.0	481.0	456.0
Elmer School										
Square Feet	19,281	19,281	19,281	19,281	19,281					
Capacity (students)	158	158	158	158	158					
Enrollment	219.4	199.7	209.2	243.1	240.1					
<b>Middle School</b>										
Pittsgrove Middle School (1912, 1999)										
Square Feet	88,473	88,473	88,473	88,473	88,473	88,473	88,473	88,473	88,473	88,473
Capacity (students)	630	630	630	630	630	630	630	630	630	630
Enrollment	405.7	441.8	455.5	433.0	430.7	558.5	577.0	612.0	609.0	634.0
<b>High School</b>										
Arthur P. Schalick High School (1976)										
Square Feet	112,000	112,000	112,000	112,000	112,000	112,000	112,000	112,000	112,000	112,000
Capacity (students)	721	721	721	721	721	721	721	721	721	721
Enrollment	545.4	560.5	512.7	599.2	640.5	680.0	663.0	689.0	720.0	646.0
<b>Other</b>										
Maintenance Building (2000)										
Square Feet	2,400	2,400	2,400	2,400	2,400	2,400	2,400	2,400	2,400	2,400
Annex Building (1933, 1942)										
Square Feet	5,828	5,828	5,828	5,828	5,828	5,828	5,828	5,828	5,828	5,828
Board of Education (1989)										
Square Feet	5,800	5,800	5,800	5,800	5,800	5,800	5,800	5,800	5,800	5,800
Round House (1985)										
Square Feet	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Number of Schools at June 30, 2015										
Preschool & Kindergarten = 1										
Elementary = 2										
Middle School = 1										
High School = 1										

Source: District records, ASSA

Note: Year of original construction is shown in parentheses along with additions. Increases in square footage and capacity are the result of any additions. Enrollment is based on the annual October district count.

**TOWNSHIP OF PITTSGROVE SCHOOL DISTRICT**  
**SCHEDULE OF REQUIRED MAINTENANCE**  
**LAST TEN FISCAL YEARS**  
*(UNAUDITED)*

UNDISTRIBUTED EXPENDITURES - REQUIRED MAINTENANCE FOR SCHOOL FACILITIES  
 11-000-261-XXX

<u>School Facilities</u>	<u>Gross Square Footage</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
A.P. Schalick High School	112,000	\$ 19,115	\$ 13,740	\$ 21,923	\$ 38,062	\$ 16,324	\$ 77,483	\$ 57,478	\$ 50,098	\$ 52,492	\$ 104,797
Pittsgrove Middle School	88,473	21,026	5,711	6,654	3,293	8,608	12,851	21,382	52,954	26,348	25,245
Olivet Elementary School	56,659	11,158	6,873	38,560	8,709	3,126	2,581	37,634	25,889	32,099	36,822
Elmer Elementary School	19,281	10,192	10,060	7,947	4,811	7,504					
Norma Elementary School	22,110	4,871	1,952	6,059	11,931	6,213	4,830	13,565	30,982	19,808	17,443
Total School Facilities		<u>66,362</u>	<u>38,336</u>	<u>81,143</u>	<u>66,806</u>	<u>41,775</u>	<u>97,745</u>	<u>130,059</u>	<u>159,923</u>	<u>130,747</u>	<u>184,307</u>
Other Facilities	15,028	39,470	32,177	58,253	47,607	59,108	58,143	63,280	10,310	10,585	6,421
Grand Total		<u>\$ 105,832</u>	<u>\$ 70,513</u>	<u>\$ 139,396</u>	<u>\$ 114,413</u>	<u>\$ 100,883</u>	<u>\$ 155,888</u>	<u>\$ 193,339</u>	<u>\$ 170,233</u>	<u>\$ 141,332</u>	<u>\$ 190,728</u>

\* School Facilities as defined under EFCFA.  
 (N.J.A.C. 6A:26-1.2 and N.J.A.C. 6A:26A-1.3)

**TOWNSHIP OF PITTSBURGH SCHOOL DISTRICT**  
**INSURANCE SCHEDULE**  
**JUNE 30, 2015**  
*(UNAUDITED)*

	<u>Coverage</u>	<u>Deductible</u>
<b>Republic Franklin Insurance Company/Utica National Insurance Group</b>		
Property- Blanket Building & Contents	\$ 55,879,090	\$ 1,000
<b>General Liability Section</b>		
General Aggregate Limit	3,000,000	
Products and Completed Operations Limit	3,000,000	
Personal Advertising Injury Limit	1,000,000	
Each Occurrence Limit	1,000,000	
<b>School District Legal Liability Coverage</b>		
Legal Liability	1,000,000	
Aggregate	3,000,000	
Insured Retained Limit (Each Loss)	7,500	
School Board Legal Liability		
<b>Employee Benefit Liability</b>		
Limit of Liability	1,000,000	
Annual Aggregate	3,000,000	
Retroactive Date (7/1/1990)		
Insured Retained Limit (Each Claim)	1,000	
<b>Commercial Crime Section</b>		
Employee Dishonest Coverage (Per Loss)	100,000	500
<b>Commercial Inland Marine</b>		
Hardware	1,113,970	250
Misc. Contractor Equipment	28,000	250
<b>Business Auto Policy</b>		
Liability Limit	1,000,000	
Comprehensive Deductible		500
Collision Deductible		1000
<b>Utica National Insurance Group</b>		
Umbrella Liability	10,000,000	
<b>Workers Compensation</b>		
Bodily Injury by Accident (Each Accident)	2,000,000	
Bodily Injury by Disease (Agreement Limit)	2,000,000	
Bodily Injury by Accident (Each Employee)	2,000,000	
<b>Student Accident Coverage</b>		
Compulsory Student Accident Coverage	5,000,000	
<b>Surety Bonds- The Ohio Casually Insurance Company</b>		
Public Official Bond- Superintendent	250,000	
Public Official Bond- Business Administrator	250,000	

Source: District records

**SINGLE AUDIT SECTION**

# NIGHTLINGER, COLAVITA & VOLPA

*A Professional Association*

*Certified Public Accountants*

991 S. Black Horse Pike  
P.O. Box 799  
Williamstown, NJ 08094

(856) 629-3111  
Fax (856) 728-2245  
[www.colavita.net](http://www.colavita.net)

November 30, 2015

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON  
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF  
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE  
WITH GOVERNMENT AUDITING STANDARDS**

**INDEPENDENT AUDITOR'S REPORT**

The Honorable President and  
Members of the Board of Education  
Pittsgrove Township School District  
County of Salem, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Board of Education of the Pittsgrove Township School District, in the County of Salem, State of New Jersey, as of and for the fiscal year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Board of Education of the Pittsgrove Township School District's basic financial statements and have issued our report thereon dated November 30, 2015.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the Pittsgrove Township Board of Education's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Pittsgrove Township Board of Education's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Pittsgrove Township Board of Education's internal control over financial reporting.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying *Schedule of Findings and Questioned Costs* and in the separate *Auditor's Management Report on Administrative Findings - Financial, Compliance and Performance* to be significant, labeled 2015-1, 2015-2, 2015-3.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Pittsgrove Township Board of Education's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed one instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey and is described in the accompanying *Schedule of Findings and Questioned Costs* and in the separate *Auditor's Management Report on Administrative Findings - Financial, Compliance and Performance* to be material weaknesses, labeled 2015-1.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

This report is intended solely for the information and use of management, the Pittsgrove Board of Education, the New Jersey Department of Education and other state and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

Respectfully submitted,  
**NIGHTLINGER, COLAVITA & VOLPA, PA**



Raymond Colavita, CPA  
Licensed Public School Accountant  
No. 915

# NIGHTLINGER, COLAVITA & VOLPA

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[www.colavita.net](http://www.colavita.net)

November 30, 2015

**REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM; REPORT ON  
INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON  
SCHEDULE OF EXPENDITURES REQUIRED BY OMB CIRCULAR A-133  
AND NEW JERSEY OMB CIRCULAR 04-04 AND/OR 15-08**

**INDEPENDENT AUDITOR'S REPORT**

The Honorable President and  
Members of the Board of Education  
Pittsgrove Township School District  
County of Salem, New Jersey

**Report on Compliance for Each Major Program**

We have audited of the Board of Education of the Pittsgrove Township School District, in the County of Salem, State of New Jersey, compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* and the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of Pittsgrove Township School District's major federal and state programs for the fiscal year ended June 30, 2015. The Pittsgrove Township Board of Education's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

Management is responsible for compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal and state programs.

**Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of the Pittsgrove Township Board of Education's major and federal state compliance based on our audit of the types of compliance requirements referred above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; OMB Circular A-133 *Audits of States, Local Governments and Non-Profit Organizations*; and New Jersey OMB's Circular 04-04 and/or 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards, OMB Circular A-133 and New Jersey OMB's Circular 04-04 and/or 15-08, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about the Pittsgrove Township School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal and state program. Our audit does not provide a legal determination of Pittsgrove Township Board of Education's compliance with those requirements.

**Opinion on Each Major Federal and State Program**

In our opinion, the Board of Education of the Pittsgrove Township School District, in the County of Salem, State of New Jersey, complied, in all material respects, with the requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the fiscal year ended June 30, 2015.

**Report on Internal Control Over Compliance**

Management of the Board of Education of the Pittsgrove Township School District is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal and state programs. In planning and performing our audit, we considered the Pittsgrove Township Board of Education's internal control over compliance with requirements that could have a direct and material effect on a major federal or state program in order to determine the auditing procedures for the purpose of expressing our opinion on compliance, and to test and report on internal control over compliance in accordance with OMB Circular A-133 and NJ OMB's Circular 04-04 and/or 15-08, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Pittsgrove Township Board of Education's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct noncompliance with a type of compliance requirement of a federal or state program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance; such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a major program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133 and New Jersey OMB's Circular 04-04 and/or 15-08.

This report is intended for the information and use of the audit committee, management, the Pittsgrove Township Board of Education, the New Jersey State Department of Education, and other federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

Respectfully submitted,  
**NIGHTLINGER, COLAVITA & VOLPA, PA**



Raymond Colavita, CPA  
Licensed Public School Accountant  
No. 915

**PITTSGROVE SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - SCHEDULE A  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Federal Grantor/Pass-Through Grantor / Program Title	CFDA Number	State Project Number	Grant Period From To	Program or Award Amount	June 30, 2014			Cash Received	Budgetary Expenditures	June 30, 2015		Due to Grantor at June 30, 2014
					Accounts Receivable	Unearned Revenue	Due to Grantor			(Accounts Receivable)	Unearned Revenue	
U.S. Department of Education												
General Fund												
Medical Assistance Program	93.778	N/A	7/1/14- 6/30/15	\$ 27,515	\$	\$	\$	\$ 27,515	\$ (27,515)	\$	\$	\$
Total U.S. Department of Education								27,515	(27,515)			
U.S. Department of Agriculture												
Passed-through State Department of Education:												
Enterprise Fund:												
Food Distribution Program	10.565	N/A	7/1/13- 6/30/14	47,825		2,854			(2,854)			
Food Distribution Program	10.565	N/A	7/1/14- 6/30/15	45,275				45,275	(41,777)		3,498	
National School Lunch Program	10.555	N/A	7/1/13- 6/30/14	247,662	(51,057)			51,057				
National School Lunch Program	10.555	N/A	7/1/14- 6/30/15	234,223				214,599	(234,223)	(19,624)		
National School Breakfast Program	10.553	N/A	7/1/13- 6/30/14	57,961	(13,179)			13,179				
National School Breakfast Program	10.553	N/A	7/1/14- 6/30/15	67,424				60,985	(67,424)	(6,439)		
Special Milk Program	10.556	N/A	7/1/13- 6/30/14	1,119	(230)			230				
Special Milk Program	10.556	N/A	7/1/14- 6/30/15	1,618				1,453	(1,618)	(165)		
Total U.S. Department of Agriculture								386,778	(347,896)	(26,228)	3,498	
U.S. Department of Education												
Passed-through State Department of Education:												
Special Revenue Fund:												
Title I	84.010	NCLB415015	7/1/14- 6/30/15	383,837				174,140	(319,350)	(145,210)		
Title I	84.010	NCLB415014	7/1/13- 6/30/14	414,374	(82,912)			82,912				
I.D.E.A. Part B, Basic	84.027	IDEA415015	7/1/14- 6/30/15	378,810				265,167	(378,810)	(113,643)		
I.D.E.A. Part B, Basic	84.027	IDEA415014	7/1/13- 6/30/14	373,880	(37,388)			37,388				
I.D.E.A. Part B, Preschool	84.173	IDEA415015	7/1/14- 6/30/15	12,631				9,268	(12,631)	(3,363)		
NCLB T-II A	84.367A	NCLB415015	7/1/14- 6/30/15	37,406				10,000	(32,363)	(22,363)		
NCLB T-II A	84.367A	NCLB415014	7/1/13- 6/30/14	39,718	(24,159)			24,439				280
Total U.S. Department of Education								603,314	(743,154)	(284,579)	280	
Total Federal Financial Assistance					\$ (208,925)	\$ 2,854	\$	\$ 1,017,607	\$ (1,118,565)	\$ (310,807)	\$ 3,498	\$ 280

See accompanying notes to schedules of financial assistance

**PITTSBORO SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE - SCHEDULE B  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

State Grantor/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period		June 30, 2014			June 30, 2015			MEMO	
			From	To	(Accounts Receivable)	Unearned Revenue	Cash Received	Budgetary Expenditures	(Accounts Receivable)	Unearned Revenue	Budgetary Receivable	Cumulative Total Expenditures
<b>State Department of Education:</b>												
<b>General Fund:</b>												
Equalization Aid	14-495-034-5120-078	\$10,430,292	7/1/13	to 6/30/14	\$ (1,038,509)	\$	\$ 1,038,509	\$	\$	\$	\$	\$
Equalization Aid	15-495-034-5120-078	10,430,292	7/1/14	to 6/30/15			9,424,658	(10,430,292)	(1,005,634)		(1,005,634)	* 10,430,292
Transportation Aid	14-495-034-5120-014	729,154	7/1/13	to 6/30/14	(72,915)		72,915					
Transportation Aid	15-495-034-5120-014	729,154	7/1/14	to 6/30/15			658,853	(729,154)	(70,301)		(70,301)	* 729,154
Special Education Categorical Aid	14-495-034-5120-089	837,197	7/1/13	to 6/30/14	(7,146)		7,146					
Special Education Categorical Aid	15-495-034-5120-089	837,197	7/1/14	to 6/30/15			756,479	(837,197)	(80,718)		(80,718)	* 837,197
Security Aid	14-495-034-5120-084	228,815	7/1/13	to 6/30/14	(22,881)		22,881					
Security Aid	15-495-034-5120-084	228,815	7/1/14	to 6/30/15			206,754	(228,815)	(22,061)		(22,061)	* 228,815
Adjustment Aid	14-495-034-5120-085	12,519	7/1/13	to 6/30/14	(1,252)		1,252					
Adjustment Aid	15-495-034-5120-085	12,519	7/1/14	to 6/30/15			11,312	(12,519)	(1,207)		(1,207)	* 12,519
School Choice Aid	14-495-034-5120-068	1,171,078	7/1/13	to 6/30/14	(117,108)		117,108					
School Choice Aid	15-495-034-5120-068	1,210,887	7/1/14	to 6/30/15			1,094,140	(1,210,887)	(116,747)		(116,747)	* 1,210,887
PARCC Readiness Aid	15-495-034-5120-098	14,560	7/1/14	to 6/30/15			13,156	(14,560)	(1,404)		(1,404)	* 14,560
Per Pupil Growth Aid	15-495-034-5120-097	14,560	7/1/14	to 6/30/15			13,156	(14,560)	(1,404)		(1,404)	* 14,560
Extraordinary Aid	14-100-034-5120-473	15,514	7/1/13	to 6/30/14	(15,514)		15,514					
Extraordinary Aid	15-100-034-5120-473	80,428	7/1/14	to 6/30/15			161	(80,428)	(80,267)			* 80,428
Non-Public Transportation Aid	14-495-034-5120-014	11,170	7/1/13	to 6/30/14	(11,170)		11,170					
Non-Public Transportation Aid	15-495-034-5120-014	12,701	7/1/14	to 6/30/15				(12,701)	(12,701)			* 12,701
Reimbursed TPAF Social Security Contrib.	15-495-034-5094-003	828,621	7/1/14	to 6/30/15			788,724	(828,621)	(39,897)			* 828,621
					(1,286,495)		14,253,888	(14,399,734)	(1,432,341)		(1,299,476)	14,370,614
<b>Special Revenue Fund:</b>												
Preschool Education Aid	15-495-034-5120-086	69,300	7/1/14	to 6/30/15			62,370	(69,300)	(6,930)		(6,930)	* 69,300
Preschool Education Aid	14-495-034-5120-086	69,300	7/1/13	to 6/30/14	(6,930)		6,930					
Teacher Quality Mentoring	08-495-034-5120-052	3,033	7/1/07	to 6/30/08		902				902		
					(6,930)	902	69,300	(69,300)	(6,930)	902	(6,930)	69,300
<b>Debt Service Fund:</b>												
Debt Service Aid Type II	15-495-034-5120-017	277,543	7/1/14	to 6/30/15			277,543	(277,543)				* 277,543
<b>Capital Projects Fund:</b>												
NJSDA Grant - Olivet	4150-060-09-1001-GO2 PEC	2,013,670	7/1/09	to Closing	(520,621)				(520,621)			* 1,593,129
NJSDA Grant - Middle School	4150-060-09-1002-GO2 PEC	125,983	7/1/09	to Closing	(48,659)				(48,659)			* 156,063
					(569,280)				(569,280)			1,749,192
<b>State Department of Agriculture:</b>												
<b>Enterprise Fund</b>												
National School Lunch Program (State Share)	15-100-010-3350-023	7,051	7/1/14	to 6/30/15			6,306	(7,051)	(745)			* 7,051
National School Lunch Program (State Share)	14-100-010-3350-023	7,623	7/1/13	to 6/30/14	(1,891)		1,891					
					(1,891)		8,197	(7,051)	(745)			7,051
Total State Financial Assistance Subject to OMB 04-04					\$ (1,864,596)	\$ 902	\$ 14,608,928	\$ (14,753,628)	\$ (2,009,296)	\$ 902	\$ (1,306,406)	\$ 16,473,700
<b>On Behalf TPAF Contributions Not Subject to OMB 04-04</b>												
On-Behalf TPAF Post Retirement Medical	15-495-034-5094-001	609,882	7/1/14	to 6/30/15			\$ 609,882	\$ (609,882)				
On-Behalf TPAF Pension Contribution	15-495-034-5094-006	968,187	7/1/14	to 6/30/15			968,187	(968,187)				
Total State Financial Assistance							\$ 16,186,997	\$ (16,331,697)				

See accompanying notes to schedules of financial assistance

**TOWNSHIP OF PITTSGROVE SCHOOL DISTRICT**  
**NOTES TO THE SCHEDULES OF AWARDS**  
**AND FINANCIAL ASSISTANCE**  
**JUNE 30, 2015**

**NOTE 1: GENERAL**

The accompanying schedules of expenditures of federal awards and state financial assistance include federal and state award activity of the Board of Education of the Township of Pittsgrove School District. The Board of Education is defined in Note 1 to the Board's basic financial statements. All federal and state awards received directly from federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies are included on the schedules of expenditures of federal awards and state financial assistance.

**NOTE 2: BASIS OF ACCOUNTING**

The accompanying schedules of expenditures of federal awards and state financial assistance are presented on the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Note 2 to the Board's basic financial statements. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits for States, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

**NOTE 3: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS**

The basic financial statements present the general fund and special revenue fund on a GAAP basis. Budgetary comparison statements or schedules (RSI) are presented for the general fund and special revenue fund to demonstrate finance-related legal compliance in which certain revenue is permitted by law or grant agreement to be recognized in the audit year, whereas for GAAP reporting, revenue is not recognized until the subsequent year or when expenditures have been made.

The general fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the one or more deferred June state aid payments in the current budget year, which is mandated pursuant to *N.J.S.A.*, 18A:22-44.2. For GAAP purposes payments are not recognized until the subsequent budget year due to the state deferral and recording of the one or more June state aid payments in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis, which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. The special revenue fund also recognizes the one or more state aid June payments in the current budget year, consistent with *N.J.S.A.*, 18A:22-44.2.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$39,665) for the general fund and \$3,115 for the special revenue fund. See Note A (the Notes to Required Supplementary Information) for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as presented on the following page:

**TOWNSHIP OF PITTSGROVE SCHOOL DISTRICT.**  
**NOTES TO THE SCHEDULES OF AWARDS**  
**AND FINANCIAL ASSISTANCE**  
**JUNE 30, 2015**

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 33,232	\$ 15,938,138	\$ 15,971,370
Special Revenue Fund	746,269	69,300	815,569
Debt Service		277,543	277,543
Food Service Fund	<u>347,896</u>	<u>7,051</u>	<u>354,947</u>
Total Awards & Financial Assistance	\$ <u>1,127,397</u>	\$ <u>16,292,032</u>	\$ <u>17,419,429</u>

**NOTE 4: RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS**

Amounts reported in the accompanying schedules agree with the amounts reported in the related federal and state financial reports.

**NOTE 5: FEDERAL AND STATE LOANS OUTSTANDING**

Township of Pittsgrove School District had no outstanding loans at June 30, 2015.

**NOTE 6: OTHER**

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the District for the year ended June 30, 2015. TPAF Social Security Contributions represents the amount reimbursed by the state for the employer's share of social security contributions for TPAF members for the year ended June 30, 2015.

**NOTE 7: SCHOOLWIDE PROGRAM FUNDS**

As the District's Federal Programs are on a targeted student group basis, there are no schoolwide programs in the District.

**NOTE 8: MAJOR PROGRAMS**

Major programs are identified in the Summary of Auditor's Results Section of the Schedule of Findings and Questioned Cost.

**NOTE 9: ADJUSTMENTS**

There were no adjustments on Schedule A of Federal Awards or Schedule B of State Financial Assistance.

PITTSBORO SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:

Unmodified

Internal control over financial reporting:

- 1) Material weakness (es) identified? \_\_\_\_\_ yes        X   no
- 2) Significant deficiencies identified?   X   yes      \_\_\_\_\_ none reported

Noncompliance material to basic financial statements noted?

\_\_\_\_\_ yes        X   no

Federal Awards

Internal control over major programs:

- 1) Material weakness (es) identified? \_\_\_\_\_ yes        X   no
- 2) Significant deficiencies identified? \_\_\_\_\_ yes        X   none reported

Type of auditor's report issued on compliance for major programs:

Unmodified

Any audit findings disclosed that are required to be reported in accordance with section .510(a) of Circular A-133?

\_\_\_\_\_ yes        X   no

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
84.010	Title I

Dollar threshold used to distinguish between type A and type B programs: \$ 300,000.00

Auditee qualified as low-risk auditee?   X   yes      \_\_\_\_\_ no

PITTSGROVE SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
(continued)

Section I - Summary of Auditor's Results (continued)

State Awards

Dollar threshold used to distinguish between type A and type B programs: \$ 442,609

Auditee qualified as low-risk auditee?  X  yes   no

Internal control over major programs:

1) Material weakness (es) identified?   yes  X  no

2) Significant deficiencies identified that are not considered to be material weaknesses?   yes  X  none reported

Type of auditor's report issued on compliance for major programs:  Unmodified

Any audit findings disclosed that are required to be reported in accordance with NJOMB Circular Letter 04-04 and/or 15-08   yes  X  no

Identification of major programs:

<u>GMIS Number(s)</u>	<u>Name of State Program</u>
15-495-034-5120-078	Equalization Aid
15-495-034-5120-089	Special Education Categorical Aid
15-495-034-5120-084	Security Aid
15-495-034-5120-085	Adjustment Aid
15-495-034-5120-068	School Choice Aid
15-495-034-5120-098	PARCC Readiness Aid
15-495-034-5120-097	Per Pupil Growth Aid

**PITTSGROVE SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
(continued)**

**Section II - Financial Statement Findings**

**Finding: 2015-1**

**Criteria or specific requirement:**

Proper internal control over cash dictates that bank reconciliations should be properly reviewed, in order to clear out obsolete and miscellaneous items, with ancillary adjustments reflected throughout the records.

**Condition:**

The bank reconciliations, as of June 30, 2015, contained old outstanding checks and other reconciling items that were not cleared from the records.

**Context:**

The presence of old outstanding checks indicates that replacements should be issued or that adjustments need to be recorded in the various records.

**Effect:**

Proper internal control was not maintained over cash in the area of reconciling the bank accounts to the various records.

**Cause:**

Additional training and supervision appear to be needed.

**Recommendation:**

Procedures to analyze and complete the year-end bank reconciliations should be reviewed and revised, in order to assure that obsolete and miscellaneous items are removed from the records through proper disposition.

**Management's response:**

Management is in agreement with the recommendation.

**PITTSGROVE SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
(continued)**

**Section II - Financial Statement Findings**

**Finding: 2015-2**

**Criteria or specific requirement:**

The existence of older balances in accounts receivable, accounts payable and inventory indicate that certain amounts may not be up to date or accurate, requiring additional analysis and possibly adjustment to the various records. Adequate internal control procedures should be in place to insure that sufficient and timely analysis is completed.

**Condition:**

Balances of accounts receivable, accounts payable and inventory, within the various Internal Service Funds of the District, did not appear to be adequately reviewed and analyzed for adjustment.

**Context:**

The presence of older balances in various accounts may indicate that sufficient review and analysis was not completed, which may have resulted in additional adjustments being recorded in the records.

**Effect:**

Proper internal control was not maintained over the Internal Service Funds of the District.

**Cause:**

Additional training and supervision appear to be needed, along with the availability of time to complete certain tasks.

**Recommendation:**

Procedures to analyze and complete the year-end analysis of the various Internal Service Funds should be reviewed and revised, in order to assure that older accounts receivable, accounts payable and inventory are analyzed and accurate.

**Management's response:**

Management is in agreement with the recommendation.

**PITTSBORO SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
(continued)**

**Section II - Financial Statement Findings**

**Finding 2015-3**

**Criteria or specific requirement:**

In accordance with a complete internal control structure over financial reporting, a periodic assessment of accounts receivable should be conducted in order to determine the collectability of items reported.

**Condition:**

There exists a balance in NJSDA Grants receivable in the total amount of \$569,280 that relates to projects that are several years old.

**Context:**

As the NJSDA projects in question are several years old, the collectability of these grant receivables comes into question as time continues.

**Effect:**

The cash position of the District is affected by the length of time in collecting receivables, requiring an interfund from the general fund. In addition, there is no assurance regarding the ultimate collectability of these grant receivables.

**Cause:**

The need of additional time to analyze the related grant information for submission to and collection from the NJSDA.

**Recommendation:**

Additional efforts should be made to request grant amounts receivable from the State of New Jersey, relating to SDA Grants.

**Cause:**

Additional training and supervision appear to be needed.

**PITTSGROVE SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
(continued)**

**Section III - Federal Awards and State Financial Assistance  
Findings and Questioned Costs**

**FEDERAL AWARDS**

**Finding:** NONE

**Information on the federal program:**

**Criteria or specific requirement:**

**Condition:**

**Questioned Costs:**

**Context:**

**Effect:**

**Cause:**

**Recommendation:**

**Management's response:**

**STATE AWARDS**

**Finding:** NONE

**Information on the state program:**

**Criteria or specific requirement:**

**Condition:**

**Questioned Costs:**

**Context:**

**Effect:**

**Cause:**

**Recommendation:**

**Management's response:**

**PITTSGROVE SCHOOL DISTRICT  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2015**

This section identifies the status of prior - year findings related to the general - purpose financial statements and Federal and State awards that are required to be reported in accordance with Chapter 6.12 Government Auditing Standards, U.S. OMB Circular A-133 (Section .315 (a)(b)) and New Jersey OMB's Circular 04-04 and/or 15-08.

**STATUS OF PRIOR - YEAR FINDINGS**

There were no prior year findings.